

International Migration and Development in Eastern and Southern Africa

Edited by
Assefaw Bariagaber



Organisation for Social Science Research
in Eastern and Southern Africa (OSSREA)

VISIT...

LANZAROTE
Caliente.COM

International Migration and Development in Eastern and Southern Africa

Edited by

Assefaw Bariagaber



**Organisation for Social Science Research in
Eastern and Southern Africa (OSSREA)**

© 2014 Organisation for Social Science Research in Eastern and Southern Africa
(OSSREA)

OSSREA acknowledges the support of Swedish International Development Co-operation Agency (Sida), Norwegian Agency for Development Co-operation (NORAD), and Danish Development Agency (DANIDA).

Published 2014

Printed in Ethiopia

ISBN: 978-99944-55-76-8

All rights reserved.

Text layout: *Alemtsehay Zewde*

Organisation for Social Science Research in Eastern and Southern Africa

P.O. Box 31971, Addis Ababa, Ethiopia

Fax: 251-11-1223921

Tel: 251-11-1239484

E-mail: info@ossrea.net

Website: www.ossrea.net

Table of Contents

	Preface	iv
	Contributors	v
1	International Migration and Development in Africa: Issues, Challenges, and Policy Options <i>Assefaw Bariagaber</i>	1
2	Zimbabwe Skilled Migrants in Botswana: What Are the Impacts? <i>Albert Makochekanwa and Prosper Kambarami</i>	17
3	Nature and Impact of International Migration in Sub-Saharan Africa: A Case of Ugandans Moving to South Sudan and Arab Gulf States <i>Rogers Twesigye</i>	55
4	International Migration in Ethiopia: Challenges and Opportunities <i>Endalew Addis</i>	111
5	Impact of Migrant Remittances on National Economy and Household Income: Some Evidence from Selected Sudanese States <i>Abdul Hameed Elias Suliman, Ebaidalla Mahjoub Ebaidalla, and Abdalla Ali Ahmed</i>	171
6	The Impact of International Remittance on Poverty, Household Consumption and Investment in Urban Ethiopia: Evidence from Cross-sectional Measures <i>Kokeb G.Giorgis and Meseret Molla</i>	211

Preface

This book grew out of the “Call for Proposals” on *International Migration and Development: Sub-Saharan Africa in Perspective*, which the Organization for Social Science Research in Eastern and Southern Africa (OSSREA) made in 2012. The proposals were selected on competitive basis, after which OSSREA provided the authors with the necessary financial support to undertake their respective studies. According to OSSREA, “The impact of international migration, both South-South as well as South-North, on the economic, social and political life of the people in Eastern and Southern Africa [was] not well documented and studied,” and “the evidence-base for policy on migration and development [was] very weak.” With this in mind, OSSREA’s invitation to conduct a study on international migration in Africa had the following objectives:

- To analyze the nature and type of South-South migration, focusing on issues, such as brain gain and/or brain drain, remittance flows, technical know-how transfers, violations of the right of African migrants and gender dimensions of migration;
- To investigate the dynamics of migration from Eastern and Southern Africa to the Arab Gulf States as well as to developed countries, focusing on the skills of migrants, brain gain and/or drain, remittance flows, technical know-how transfers, violations of the rights of African migrants and gender dimension of migrants; and
- To assess the successes, impediments and challenges of African international migrants from Eastern and Southern Africa and to formulate policy recommendations to maximize the gains and minimize the costs associated with international migration in Africa.

In the chapters that follow, more focus has been given to South-South migration partly because the majority African international migrants remain within Africa and partly because South-South migration remains an understudied area within migration studies. This feature sets the book apart from other books on international migration in Africa. Indeed, the book may be unique because it puts more emphasis on inter-African migration processes without neglecting the migration of Africans outside of the continent. And for this in particular and for their efforts to write on a topic not many have written before, I thank the authors. I also thank OSSREA for providing the authors with the necessary funds to complete their respective chapters, and Seton Hall University for granting my sabbatical leave, as a result of which I had enough time to serve as editor of the book.

Assefaw Bariagaber

Contributors

Assefaw Bariagaber is Professor of Diplomacy and International Relations at Seton Hall University. He is the author of *Conflict and the Refugee Experience: Flight, Exile and Repatriation in the Horn of Africa* (Ashgate 2006), and has published numerous articles on conflicts, refugee formations, and United Nations peace operations in Africa in peer-reviewed journals, including the *Journal of Modern African Studies*, *Africa Today*, *Ethnic and Racial Studies*, *Journal of Black Studies*, and *International Migration*. He has also served as consultant to the International Organization for Migration (IOM), the Council for Social Science Research in Africa (CODESRIA), the Organization for Social Science Research in Eastern and Southern Africa (OSSREA), and the UN High Commissioner for Refugees (UNHCR) (through Writenet/Refworld). He is Past-President of the Association of Third World Studies (2010–2011), and the founding Chair, Department of Diplomacy and International Relations at Seton Hall University during 2007–2013.

Albert Makochekanwa Albert Makochekanwa, a lecturer with the Department of Economics, University of Zimbabwe, has a Ph.D. Degree in Economics from the University of Pretoria, South Africa; a Master of Science (MSc) in Economics Degree from the University of Zimbabwe; an Honours in Economics Degree from the University of Zimbabwe and a Certificate in Project Management from the University of South Africa (UNISA). Dr. Makochekanwa has more than 11 years of research experience in economic and social science fields. Among the reputable organization that he has consulted and conduct research for includes (1) World Bank, and World Bank Institute (WIB) Washington DC, USA; (2) Trade and Industrial Strategies (TIPS of South Africa) and AusAID, (3) Center for Global Development (CGD), Washington DC, USA; (4) United Nations Children's Fund (UNICEF), Harare, Zimbabwe; (5) African Economic Research Consortium (AERC), Kenya; (6) Centre for International Governance Innovation (CIGI), Canada; (7) Namibia Chamber of Commerce and Industry (NCCI), Namibia, (8) Underhill Capital Solutions, South Africa, (9) University of Mauritius (UoM), Mauritius; (10) United nations Conference on Trade and Development Virtual Institute (UNCTADVi) and Trade and Development Studies Centre, Zimbabwe, among others.

Abdul Hameed Elias Suliman (Ph.D.): Dr. Suliman is a Sudanese national currently working as Assistant Professor and Head of the Research and Consultancy Unit at the Development Studies and Research Institute (DSRI), University of Khartoum. He has more about 20 years of teaching and research experience. His research interest includes various development issues particularly issues pertaining to macroeconomic policies, poverty and human development. Dr. Suliman holds a Ph.D. in Development Planning from the DSRI, University of Khartoum.

Ebaidalla Mahjoub Ebaidalla: Dr. Ebaidalla is a Sudanese national currently working as Assistant Professor of Economics at Department of Economics, University of Khartoum, Sudan. He graduated in The Faculty of Economics, University of Khartoum, and received his Ph.D. in Economics from the same University. He worked for the University of Kassala for twelve years at the Department of Economics. His research interest is focused on the fields of Macroeconomics, International Economics, Migration and Labor Economics.

Abdalla Ali Ahmed Edriss: Mr. Abdalla is currently working as assistant research professor at the Economic and Social Research Bureau, Ministry of Science and Communication. Mr. Abdalla also works, on part-time basis, as a lecturer in a number of Sudanese universities. He has more than 10 years of teaching and research experience. His research interest is focused on issues relating to economic growth, measurement of productivity and other macroeconomic policy issues. Mr. Abdalla holds the degree of M.Sc. in Economics from the Faculty of Economics, University of Khartoum and he is currently registered as a Ph.D. student at the Development Studies and Research Institute, University of Khartoum.

Endalew Addis is a Ph.D. Candidate at the Centre for Environment and Development in College of Development Studies, Addis Ababa University. He is a Lecturer in the Department of Sociology, Hawassa University. He obtained his M.A. in Development Studies (Environment and Development) from Addis Ababa University in Ethiopia. Currently his area of research is social protection, migration, and climate change vulnerability and adaptation.

Rogers Twesigye holds a Master's of Science in Public Health from the University of Southern Denmark (2011) and a Bachelors' degree in Social Work and Social Administration (SWSA) from Makerere University Kampala (2008). Since 2011, Twesigye works as a research associate and teaching assistant for research methods for both undergraduate and post doc students with Dept. of SWSA (MUK). Since December 2012, Twesigye has also been working as a research coordinator for Program for Accessible health Communication and Education (PACE) in Uganda. Twesigye has a keen interest in development and health research with a bias towards migrants. Twesigye worked as research Assistant at the center of Global health and Migration at Odense University Hospital, Denmark. As a research associate, Twesigye has worked with and for government agencies, local and international agencies in Uganda, conducting project baselines, mid-term reviews and evaluations, guiding policy formulation and strategic planning.

Kokeb G.Giorgis holds a B.A. and M.Sc. degree in Economics from Addis Ababa University, School of Economics. He is a lecturer in the Department of Economics at the Ethiopian Civil Service University. Currently he is a Ph.D. Student in the Department of Economics at the Addis Ababa

University. His research interest is in the general areas of Development Economics and dynamics of household poverty.

Meseret Molla holds M.Sc. degree in Economics and is a lecturer in the Department of Economics at the University of Gondar. Currently he is a Ph.D. Student in the Department of Environment and Development, College of Development Studies, at the Addis Ababa University.

CHAPTER ONE

International Migration and Development in Africa: Issues, Challenges, and Policy Options

Assefaw Bariagaber

Migration of peoples, within and across borders, has been part and parcel of human history and civilization, often associated with the rise and fall of great empires, the spread of influential religious traditions, and the diffusion of scientific know-how across the globe. Pagden (2001) aptly underscores the centrality of migration in human history when he wrote:

Human history ... began in movement, in restlessness, in the quest for new resources, the search for more hospitable climates, and the insatiable desire for possession. These impulses drove the first men out of Africa and across the world, and they continue to drive their ancestors to this day. Probably all cultures of all races of the world have been the creations of prolonged periods of migrations. Most of the stories we tell ourselves about our pasts, and many about our futures, are, therefore, stories of peregrination (pp. xix–xx).

Although movements of peoples have largely been positive, often associated with mankind's increased control over nature, it has also been associated with some negatives. On the positive side, migration is associated with the diffusion of innovative ideas that pushed human progress forward. It has brought hitherto isolated and scattered peoples closer and made them more productive, reinvigorated and provided fresh blood and dynamism to stagnating societies, and created conditions for increased understanding between different cultural groups. For example, the founding of the United States of America and its rise as the center of scientific discovery and technological innovation is largely due to the migration of the early English settlers and subsequent migrations of African and other Europeans to a territory conducive to such progress. Its continued dynamism and leadership at the global level may be attributed to continued migration of peoples from all over the world, including many of the Albert Einsteins of the world, who contributed to the betterment of the self and the country. If there was anything that can remotely be called common human heritage and civilization, it is the result of the confluence of the ideas derived from the experiences of different peoples.

On the negative side, migration has been associated with conflicts and various indignities many have suffered when two or more isolated peoples come into contact. Indeed, the indignities the native Americans suffered at the hands of the newcomers from Europe in what is now the United States,

Australia, and other places based on the claim to the same territory because of its economic and strategic value, and the sense of superiority one group felt over another sufficient to justify its complete domination are all directly or indirectly related to migration. On balance, however, the migration of peoples throughout the ages has been positive, especially because of mankind's progressive march from lower to relatively higher levels of economic, political, social, and cultural development. Migration, therefore, has an indelible impact on the essence of human beings and constitutes the very fabric of every modern society and of societies past. Given these, it is no exaggeration to make the claim that migration made mankind.

Although human migration has been a continuous process, its scale and intensity, depends on many contextual variables, including economic, political, and social variables. That is, the patterns of human migration depend on the nature and scale of push factors in the country of origin and the pull factors in the country of destination. More often than not, the push factors in the country of origin, including economic difficulties, lack of security, persecution because of religious, political, racial affiliation and so forth, impel individuals to look for more attractive places, where such factors are minimal or non-existent. And the stronger the push factors at home and the pull factors at the destination are, the higher the numbers of those who will migrate. It is not surprising, therefore, because of various time- and location-specific variables there exist many periods of "great migrations" in human history, where the scale and intensity of such migrations, both internal and external, has been colossal (Haywood 2008).¹

Internal and international migrations have both been important in defining the very essence of societies, especially since the formation of nation-states. The former generally refers to the movement of peoples within national borders, while the latter refers to the "movement of persons who leave their country of origin, or the country of habitual residence, to establish themselves either permanently or temporarily in another country" (IOM 2004, 33). This includes documented and undocumented economic migrants, victims of human smuggling and trafficking and those who flee because of natural disasters, such as drought and desertification, earthquakes and floods. It may also include refugees because they find themselves outside of their country of nationality and are unwilling to return based on a "well-founded fear of being persecuted for reasons of race, religion, nationality ... or political opinion" (UN 1951; OAU 1969). International migration, the focus of this book, has particularly attracted more attention because of its political and economic impacts on the global order, including international peace and security, and the relationship between the sending and destination countries. The scope and intensity of these impacts have varied based on many factors, including the global political economy and the political economy of both the origin and destination countries, all of which directly or indirectly affect migrants.

Of particular relevance that contributed to the mass movement of peoples across international borders during the present era is globalization, a term denoting the “process...which embodies a transformation in the spatial organization of social relations and transactions...generating transcontinental or interregional flows and networks of activity, interaction, and the exercise of power” (Held *et al.* 1999, 16). It has made migration more common because advances in modern means of communications meant that migrants can gather information on near and faraway places like never before and move in larger numbers. Indeed, increased information reduces “fear of the unknown, builds confidence and provides a sense of empowerment sufficient ...” to dare to leave one’s jurisdiction and enter another with or without the approval of state authorities (Bariagaber 2013, 15). And the numbers speak for themselves. For example, as of mid-2013, there were approximately 231.5 million international migrants as compared to the approximately 174.5 million international migrants in the mid-2000 (UN 2013). This represents an increase of about 57 million (32.6 percent) international migrants over the last 13 years, or a yearly average increase of about 2.5 percent. It is also instructive to note that there were approximately 154.2 million international migrants in mid-1990 (UN 2013). Thus, during the 10-year period extending from mid-1990 to mid-2010, the number of international migrants has increased by about 20.3 million (about 13.1 percent), or a yearly average increase of about 1.3 percent. Hence, the number of international migrants has been increasing at a higher rate over the last decade or so, and this coincided with increased access to modern means of communications.

However, the rapid, some say uncontrolled, rise in international migration recently has had many adverse impacts on many destination countries. At the political level, there has been rising xenophobia and increased intolerance of migrants in many developed countries, allegedly because they have taken away jobs from the citizens and have contributed to increased crime. And more recently, migration has become an attractive rallying cry for neo-fascist groups in national elections in some countries in Europe. As a result, some governments have adopted less-generous migrant policies partly to counter the rising influence of neo-fascist groups and their political aspirations, and partly to control what appears to be uncontrolled and undocumented migrant entry into their territories. For example, many countries in Europe have taken various measures to curtail illegal immigration into the continent – hence the use of the term “Fortress Europe” – which included increased border patrols, construction of migrant detention centers, adopting laws to make it more difficult for illegal entrants to find jobs, and to discourage others from attempting to enter Europe.² These include the Morocco-Spain border, where Spain has constructed the Melilla Border Fence, and the increased Italian Navy boat patrols in the Mediterranean Sea close to the Libyan coastline.

Other countries have also adopted similar measures. For example, Israel has built fortifications and surveillance mechanisms in place in the Sinai Desert

bordering Israel and has recently adopted the “Law to Prevent Infiltrators,” which allowed the Government to detain undocumented immigrants for “for up to three years - without trial - of anyone who crosses the border without a permit” and the imprisonment “for up to 15 years” of those who hire those already inside (IRIN 2012). Lately, Israel has begun detaining undocumented immigrants in the Negev desert to make it impossible for them to seek jobs and has been “offering financial incentives to those willing to return home” (*Middle East & North Africa*, 2014). The Kingdom of Saudi Arabia has also forcibly returned many migrants, including about 151,000 Ethiopians (IOM 2014).

At the socio-economic level, the forced return of migrants to their countries adds to the existing high unemployment rate and loss of much-needed household income necessary to maintain household and societal cohesion and this threatens the political stability of these countries. Also, it has adverse impact on hard currency earnings and macro-economic stability. At the humanitarian level, violations of the rights of migrants in destination countries are on the rise, including violations of the rights of victims of human trafficking and smuggling, not only in destination countries but also in transit countries. This may become a source of inter-state tension, especially if the migrant origin country sees the destination country as having failed to protect its migrant citizens.

Some, however, question if the numbers of migrants are large enough to cause much concern. For example, including the International Organization for Migration (IOM) believes that international migration benefits all if it is managed well. Rather, it seems that the problem lies in the absence of agreed upon mechanisms, or the absence of an effective international migration regime, to effectively manage international migration. Indeed, the migrant origin developing countries benefit because they have surplus labor and their gainful employment abroad and the foreign currency sent back home helps the national economy; the destination countries, especially those in the North and in the Arab Gulf States, also benefit because of the labor shortage they face, especially in the non-professional sector; and migrants and their households also benefit because of the remittances the migrants send back either for their personal investment or for family consumption and investment. With about \$550 billion global remittance in 2013 (an amount that far exceeded the Gross Domestic Product of South Africa, Africa’s largest economy)³ and most of it remitted to developing countries (*Trends* 2013), it is easy to imagine the significant stabilizing effect this amount has on many.

Therefore, international migration is significant not only because of its enduring contribution to human civilization but also because of its political, economic and social impacts on many countries, particularly at a time when globalization has increased human interaction. As such, policy-relevant studies on international migration are timely and critical because of their potential to contribute to the creation of a sound international migration

regime. Such studies are particularly relevant in Africa, as discussed below.

International Migration in Africa

International migration has become an important academic area of endeavor and has posed policy challenges in Africa. First, the number of African international migrants has increased significantly over the last three years, from about 15,813,000 in mid-2010 to about 17,228,000 in mid-2013, an average yearly increase of 472,000 migrants (UN 2013). This dwarfs the annual average increase of about 59,350 migrants during the previous 20-year period, from about 14,626,000 in mid-1990 to about 15,813,000 in mid-2010 (UN 2013). Also, there have been concomitant increases in the amount of remittances sub-Saharan African migrants sent home, amounting to \$21 billion and \$23 billion during 2010 and 2011, respectively. Early projections had indicated remittances growth in the amount of \$24 billion, \$26 billion, and \$28 billion for 2012, 2013 and 2014, respectively (Ratha 2012).

If so, it would mean that remittances had increased by \$7 billion, or 33.33 percent, over the five-year period from 2010 to 2014, as compared to the growth rate of about 17 percent over the 10-year period extending from 2001 to 2010. Underscoring the extent to which remittances have become critical in Africa, *African Economic Outlook* (2013) states that: “for the first time, remittances [sent by the African Diaspora in 2012] became the largest external financial source to Africa, ahead of [Foreign Direct Investment (FDI)] and [Official Development Assistance (ODA)].” Also important are: (1) remittances constituted an average of about 3 percent of the GDP of African countries 2012 and (2) intra-African remittances have been steadily increasing over the 11-year period, from \$3 billion in 2000 to \$5.7 billion in 2011 (*African Economic Outlook* 2013).

It is important to observe that these estimates do not include the unrecorded flows through informal channels. Indeed, according to Freund and Spatafora (2005), “informality is most extreme in Sub-Saharan Africa,” and may reach up to 75 percent of all remittances sent to Africa. Nonetheless, formal or informal, remittances remain an important source of income for about 120 million Africans for spending on consumer products, education, and health expenses (*African Economic Outlook* 2013).

Therefore, policy-relevant studies on international migration in Africa are critical because: (1) Africa is the source of many international migrants whose well-being is tied to the well-being of their countries and families; (2) it has economic problems, where migrant remittances have made significant contributions to household income and national economic growth; (3) it is more susceptible to national and regional instability because of the ongoing attempts by many destination countries to significantly reduce the number of migrants; and (4) migrant issues have recently attracted increased attention because of the rise in human rights

violations of migrants and other indignities African migrants in particular and migrants in general go through in transit as well as destination countries.

What Do We Know about International Migration?

Although international migration has existed for quite a long time independent of the national or systemic structures, it has increased in scope and magnitude recently, largely facilitated by the ongoing globalization and the diffusion of modern means of communication (Bariagaber 2013). As a result, there exists a large body of literature, not only on the political, economic, social and other factors that impel migration but also on the political, economic, social and other developmental impacts of migration on three most important actors in the migration process: migrants, countries of origin, and countries of destination. In particular, there is a continuing debate on whether or not international migration and development are positively correlated, and if so, how to manage it to bring about optimal benefits for all.

Perhaps, the earliest and broadest theoretical perspective is the push-pull theory, which holds that migration (both internal and international) was primarily, but not exclusively, a function of economic differences between the place of migrant origin and the place of migrant destination. That is, people move from places with lower economic opportunity to places with higher economic opportunity. Under this theory, individuals who contemplate migrating are rational actors who, based on the pros and cons of migration, make considered decision to move (Ravenstein 1889 as cited in De Hass 2008). That is, the decision to migrate is reached if the gains to be had at the destination are greater than those at the place of original residence. In terms of the kinetics of the movement, to borrow Kunz (1973), the departure from the country of origin and arrival at the destination are generally “orderly” and undertaken with a “positive original motivation.”⁴ Therefore, migration is beneficial to the migrant. The theory is more migrant-centric and does not focus on broader developmental issues relevant to the home and destination countries.

While the push-pull theory has provided a general frame-work to think about migration for a long time, other theories, have lately emerged and dominated studies on international migration. In particular, most of the policy oriented research international migration has focused on its developmental impact, with some who view international migration as a “winning paradigm” because of its benefits to migrants, migrant origin countries, and migrant destination countries. Among these includes the neo-classical equilibrium theory, which contends that people migrate from low to high income geographical areas such that the migration movement from one to the other “tend towards a certain spatial-economic equilibrium” (De Haas, 2008: 4). In other words, it continues only as long as the wage differentials between the two areas remain unequal for commensurate amount of work (Todaro 1969; Todaro and Maruszko 1987). This theory

views migration as win-win-win for (1) the migrant, because of the expected high earnings in destination countries, (2) the country of origin, because it alleviates unemployment and shortage of hard currency, (3) the country of destination, because it solves labor shortage, particularly in areas where the local population has no desire to work. The strength of the theory comes from its inclusion of economic factors to account for international migration, where the migrant makes a rational decision based on the likelihood of better earnings in the labor market of the destination country. However, it falls short in its explanatory power because it does not include other structural factors such as the type of government (and their policies on migration) in the sending and receiving countries, individual agency, and other factors that may encourage or discourage migration.

A closely related approach to the neo-classical equilibrium theory is what we may broadly refer to as the “develop mentalist” migration perspective. This perspective views international migration, more appropriately migration from developing to developed countries, as positive because the exposure of migrants to the economic, political, and social systems of the latter will facilitate evolution to the more advanced political, economic and social systems in the latter (Penninx 1982). Therefore, migrants are assumed to maintain close links with their native country after migrating and will serve as agents of rapid change because they will transfer Western values, skills and financial resources for the betterment of the developing society at home. That is, according to De Haas (2008, 25), migrants will play positive role in the “spatial diffusion of modernization in relatively ‘backward’ areas...” Indeed, it assumes the North as the yardstick by which development is measured and the values of the Enlightenment, including humanism, rationalism, empiricism, liberalism, and capitalism, are values “superior” to other contending systems.

The above theories view international migration as positive, but there are also theories that view it as more negative. One such theory is historical-structuralism, and it contends that under the present capitalist global order, there is unequal distribution of wealth between countries of the North and the South. The former has benefitted from the exploitation of migrants from the South because of the low-paying, menial jobs they occupy. Furthermore, it contends that the amount of remittance migrants send home has been small to make meaningful contribution to the national economy while the loss of the relatively educated migrants has been a significant brain waste in the developing countries. As such, international migration has exacerbated the existing unequal distribution of resources and wealth between the “core” and the “periphery” and has further contributed to more underdevelopment of the latter (Binford 2003; Rubenstein 1992). Thus, international migration is seen a win-lose-lose situation, where the developed countries of destination gain at the expense of migrants and the countries of origin. However, it has no place for human agency and the role of the migrants and their households in the decision to move is not taken into consideration.

There are also other theories that purport to explain the link between international migration and development more fully that may not fit into the migration “optimist” and migration “pessimist” divide. Of more recent origin is the new economics of labor migration (NELM) approach that takes into account both structure and human agency, especially the critical role of the migrant’s household/family in the decision to undertake international migration (Stark 1978, 1991; Stark and Bloom 1985). This is because migration is perceived as “household risk spreading strategy in order to stabilize income” and as a “strategy to overcome various market constants” (De Haas 2008, 35; Lucas and Stark 1985). Therefore, unlike the neo-classical equilibrium and the neo-Marxist historical-structuralism approaches, it takes remittances as “one of the most essential motives for migrating” (De Haas 2008, 35). Given that remittances have become significant in African economies, this approach has become more appealing because it appears to stand on firm empirical foundation. Indeed, not only is the motive of the individual migrant important but also the motive of the household because it has everything to gain from money remitted.

Finally the social network theory on migration contends that migrants gravitate to places where their friends and relatives have previously migrated because settlement in such places provides social support and reduces risks associated with the unknowns in the destination country (Appleyard 1992; Haas 2008). Therefore, inter-personal relationships play an important role in the dynamics of migration. While this may be true for all migrants, it appears that it is more so for African migrants, who, with their comparatively the lower levels of education and skills, are more likely to find it harder to integrate in the new society. As a fall back in case of difficulties, therefore, African migrants are more likely to rely on relatives and friends for information and other support in the destination country. However, it fall short in providing a more comprehensive explanation of the dynamics of international migration because it does not take into account structural factors as well as individual agency that may promote or impede migration.

There are also other theories and perspectives on international migration. The above, however, seem to be more applicable to international migration in Africa, as will be seen in detail in the perspectives the authors have relied upon in the chapters that follow.

Structure of the Book

The book examines international migration in Africa from the general “develop mentalist” perspective to explain the dynamics of migration, focusing more on actor-structure interactions. Although there are continuing challenges, the book assumes that migration of Africans across international borders has benefitted migrants, in terms of investment; their families, in terms of investment and consumption; and the country of

origin, in terms of alleviating unemployment and spurring macro-economic growth.

In addition to this introductory chapter (Chapter One), the book consists of five chapters, all of which are case studies on international migration from five countries in Sub-Saharan Africa. Per instructions from OSSREA, each case study contains detailed account of the significance of the study, review of the literature and the gap the study intends to fill, detailed account of data collection methods, sampling procedures and analysis techniques, and policy recommendations. In addition, the questionnaire used to collect data is included in an appendix at the end of each chapter. Therefore, each chapter discusses a whole range of issues and is much longer than chapters one normally finds in an edited book.

The chapters included in the book have the following common features:

1. They all deal with a common theme focused on the developmental aspects of international migration. These include remittances and their effects on migrants' investments, household consumption and investment, and national economic growth; brain drain and/or gain; abuses and challenges migrants face in destination countries; and challenges and responses of the countries of origin.
2. Each chapter analyzes mainly primary data collected through extensive field work for the sole purpose of this endeavor. Therefore, each chapter is original in terms of the substantive issues raised relevant to the country under study. As a result, the case studies raise questions of interest to scholars and policy-makers, especially because they provide suggestions based on empirical findings.
3. The volume is policy-oriented and the questioned raised, the challenges identified, and the policy recommendations made are of potential use by African governments, who have so far been unable to formulate and integrate migrant-relevant policies for maximum benefits from the migration of their citizens.
4. Each chapter brings forth the experiences of migrants in their own words, including how they navigate through the migration process, how they see migration affecting the self, the household, and the country of origin. One of the chapters goes even further and includes the impact of return migration on the destination country if and when the migrants return.

In Chapter Two, Albert Mankochekanwa and Prosper Kambarami look at the migration of Zimbabwean education and health professionals to neighboring Botswana, focusing on the impact of migration on the countries of origin and destination, and the possible impacts on both should the Zimbabwean migrants return home. Some of the main issues raised include the positive impacts of skilled Zimbabwean workers in Botswana, the challenges and abuses they face and how Botswana can address these.

Also raised are questions such as: What policies can Zimbabwe put in place in future to curtail brain drain? What policies should Botswana consider to avoid collapse of its educational and health institutions currently manned by Zimbabweans in the event that they return to their country? How best can Botswana address the ill-treatment of Zimbabweans by law enforcement agencies, such as the Botswana police force and immigration officials?

The findings indicate that Zimbabwean migration has been a brain drain to Zimbabwe while brain gain for Botswana. The findings further indicate that Zimbabwean migrants have been abused in Botswana and called upon the Government to implement generous migrant policies because of the higher demand for Zimbabwe migrant skills in Botswana and suggested ways to make it attractive for them to return. While the migration of Africans to other continents has raised alarm at the abuses they suffer, this chapter also suggests that inter-African country migration is not immune to this. Nonetheless, Mankochekanwa and Kambarami find that Zimbabwean migration has benefitted the migrants and Botswana. The importance of this chapter lies in its attempt to explain the nature and dynamics of South-South migration, particularly intra-African migration, not common in other works.

Rogers Twesigye (Chapter Three) pushes South-South migration further by comparing the migration of Ugandans to the Republic of Sudan and the Arab Gulf States. Twesigye applies the new economy of migration approach to answer the following questions: What were the trends in migration of Ugandans to South Sudan and the Arab Gulf States? What are the underlying pull and push factors of Ugandans to South Sudan and the Arab Gulf States? What is the individual and household socio-economic impact of Ugandans migrants to South Sudan and the Arab Gulf States? What is the impact of such transfer/remittances on Uganda's national development? What are the challenges that Ugandans face in South Sudan and the Arab Gulf States? What, if any, are the successes and challenges of Ugandan Government response to the migration of its citizens to South Sudan and the Arab Gulf States?

The findings indicate that remittances sent by Ugandans who migrated to South Sudan and the Arab Gulf States have benefitted the migrants, in terms of investment; their households, in terms of consumption and investment, and the national economy, in terms of alleviating unemployment and foreign currency accumulation. In addition, the findings indicate that there was no brain drain because most of the migrants to both destinations were relatively uneducated. Twesigye, however, finds that migrant abuses have been rampant in both, contending that this appears to be independent of the migrant destination taken by the Ugandans. Like Chapter Two, therefore, the study confirms that intra-African migration is accompanied by violations of the rights of the migrants. Furthermore, the Ugandan Government has been relatively more engaged with those who

migrated to the Arab Gulf States but not with those who migrated to South Sudan. Twesigye concludes by calling upon the Ugandan Government to be more proactive in dealing with migrant issues and to formulate policies that focus on protection of all Ugandan migrants.

In Chapter Four, Endalew Addis continues with the investigation of South-South migration of Ethiopians but also adds South-North migration of Ethiopians in his study to (comparatively) assess the opportunities and challenges associated with their migration to South Africa, the Middle East and the West. He approaches his study from the new economics of labor migration perspective to examine, among other things, the role remittance flows have played in the betterment of the livelihood of the household and the national economy. His emphasis on the financial and technical know-how Ethiopia gains (or loses as the case may be) and government responses to the challenges posed by migration of its citizens, especially in light of the rampant abuses Ethiopians and other migrants suffer in South Africa and the Arabian Peninsula, brought to the forefront the role of the country of origin in managing migration. Some of the question Addis raises are: What are the demographic and socio-economic characteristics of Ethiopian migrants to South Africa, Middle East and Western countries? What is the effect of brain drain in Ethiopia and how do Ethiopians benefit from international migration through brain gain? What is the impact of remittance flow to Ethiopia and Ethiopians? What type of human rights violations do Ethiopians face in the processes of international migration? What are the successes and challenges of policy responses of international migration in Ethiopia?

The findings indicate that the international migration of Ethiopians to the three regions have been positive as well as negative. On the positive side, Addis contends that remittances sent home have been used wisely for investment and household consumption, and return migrants have acquired “practical scientific knowledge, entrepreneurship and business management skills and knowledge...” On the negative side, the findings indicate that Ethiopians have suffered abuses in the Middle East and South Africa and called upon the Ethiopian Government to come up with a comprehensive migration policy to promote the protection of its migrant citizens and to combat human smuggling and trafficking. According to Addis, it is imperative for the Government of Ethiopia to expand employment opportunities for returnees and place them in jobs based on their expertise in order to avoid brain waste.

Chapters 2, 3, and 4, all view international migration as generally positive because the migrants, their households, and the countries of origin (and, in Chapter 2, the country of destination) have benefitted either because of remittance flows or because of the acquisition of knowledge and skills for potential use in the countries of origin. At the same time, the three chapters indicate that the migration of Africans to Botswana, South Sudan and the Middle East (but not the West) have been accompanied by violations of

their human rights. This inevitably raises the question as to whether or not race or ethnicity is a factor in the violations of the rights of African migrants. And if so, what types of abuses, beyond those that all other migrants suffer, may be attributed to one's race or ethnicity? Nonetheless, the protection of migrant rights remains as one of the most important challenges countries of origin in Africa have to address.

The above three chapters have raised various questions related to international migration, ranging from the characteristics of migrants, the causal factors for migrating, brain gain and/or drain related to migration, remittance flows and their impact on the migrants, the household, and the country of origin. They have also raised issues related to violations of the rights of migrants, the role of the country of origin in protecting the rights of its citizens, and the need for the development of comprehensive and more proactive migrant policies.

Chapter Five and Chapter Six, on the other hand, raise more focused, remittance-centered issues. As a consequence, the analysis on remittances is more comprehensive compared to the analyses in the three chapters. In Chapter Five, Abdul Hamid Elias Suliman, Ebaidalla Mahjoub Ebaidalla, and Abdalla Ali Ahmed focus on the impact of remittances on the household and national incomes, and the role they play in investment, capital accumulation and human capital improvement. The study is timely and significant because of the following reasons: (1) remittance are becoming critical in the lives of a significant number of Africans and dependence on such is increasing, (2) there exists a dearth of micro- and macro-level studies on the role of remittances in Sudan, and (3) Sudan is currently suffering from acute shortage of hard currency brought about by the secession of South Sudan, and prudent management of remittances is lacking despite the long history of Sudanese international migration in search of better employment opportunities.

By applying standard econometric models – the Economic Growth Model and the Human Capital model – to study the effects remittance on household income, national income, and national growth, Suliman, Ebaidalla, and Ahmed seek to answer the following specific questions: What is the contribution of remittances in improving household incomes? What is the impact of remittances on the national income? What is the role of remittances in investment and capital accumulation? To what extent do remittances contribute to economic development through the improvement in human capital? The findings indicate that remittances have positive and significant impact on household income (consistent with the findings in Chapters 2, 3, and 4) but not on economic growth. In light of the latter findings, Suliman, Ebaidalla, and Ahmed recommend several policy options to eliminate rampant black market trade on hard currency and increase remittance inflows through formal channels.

In Chapter Six, Kokeb G.Giorgis and Meseret Molla continue with the investigation of the effects of remittances on (1) poverty reduction, by

employing the Two-Stage Heckman Selection Model and the Propensity Score Matching approach and on (2) spending patterns of those who received remittances and those who did not, by applying simple descriptive statistics procedures. The questions raised include: What is the difference in poverty level as measured by poverty index and poverty gap index between households that receive cash and non-cash international remittances and those who do not? Do the poor benefit from remittances more significantly than the non-poor? What are the factors that determine how remittances are spent or used by households in urban Ethiopia? Does the expenditure pattern of households who receive remittances vary from those do not?

The findings indicate that (1) consistent with the literature (Adams (2006) study on Ghana, for example), the reduction in the level of poverty was significant and (2) international remittances were mainly spent on consumption than on investment goods. This is at variance with the dominant view that remittances are fungible and are spent like any other source of income (for example, Adams, Cuecuecha and Page (2008) study on Ghana). Based on this, G. Giorgis and Molla recommend that the Ethiopian Government find easy and less costly ways for migrants to send money back home, and called upon the Government to formulate policies that encourage the productive investment of remittances.

Taken altogether, the chapters raise timely, critical, and policy-relevant issues on international migration in Sub-Saharan Africa. Why governments in Sub-Saharan Africa have been unable to formulate comprehensive migrant and diaspora policies despite the enormous technical and financial resources that migrants can muster, is beyond the scope of this book. But the various studies included in this book make it amply clear that the resources that migrants and diaspora communities possess are critical for the continent's economic and social development, and have made various recommendations for optimal use of these resources. One can only hope that government authorities will give due attention to these in order to push forward the journey towards more political, economic, and social progress that Africa has earnestly started a decade or so ago.

Notes

1. Haywood (2008) has identified 50 such "great migrations" that occurred from the earliest periods to the present, although migration has been continuous and there have been more numerous smaller scale migrations throughout history.
2. This is a term derived from World War II, and in its current usage refers to making the borders of the European Union impenetrable for refugees and asylum seekers. For more on this, please consult *World Socialist Web Site*. 2005 (January 6). European Union continues to build a "fortress Europe." Available at: <https://www.wsws.org/en/articles/2005/01/asyl-j06.html>. Accessed on January 31, 2014.

3. The Gross Domestic Product of South Africa was about \$408 billion in 2011 and far dwarfs all other Sub-Saharan African economies, including Nigeria's about 245 billion. Please consult United Nations Economic Commission for Africa (UNECA), available at: <http://www.uneca.org/oria/pages/south-africa>. Accessed on January 23, 2014.
4. Kunz (1973) differentiates between migrants and refugees, where the former refers to those who move because of economic reasons while the latter move for reasons stated in the 1951 UN and the 1969 OAU conventions on refugees. As a result, there is a contrast between migrants and refugees in terms of their "kinetics of flight" and their "motivations" to migrate. A refugee departs suddenly and reluctantly, not knowing what awaits him/her in the country of destination and does not have "positive original motivation," and as a result, the chances of his/her success in the country of destination are not as high as that of a migrant.

References

- African Economic Outlook*. 2013. Remittances. Available at: http://www.africaneconomicoutlook.org/en/outlook/financial_flows/remittances. Accessed on January 17, 2012.
- Appleyard, R. 1992. Migration and development: An unresolved relationship. *International Migration*, 30: 251–266.
- Bariagaber, A. 2013. Globalization, imitation behavior, and refugees from Eritrea. *Africa Today*, 60(2): 3–18.
- Binford, L. 2003. Migrant remittances and (under)development in Mexico. *Critique of Anthropology*, 23:305–336.
- De Haas, H. 2008. Migration and development: A theoretical perspective. *International Migration Institute, Working Papers (Paper 9)*, University of Oxford. Available at: <http://www.imi.ox.ac.uk/pdfs/imi-working-papers/WP9percent20Migrationpercent20andpercent20developmentpercent20theorypercent20HdH.pdf>.
- Freund, C. and N. Spatafora. 2005. Remittances: Transaction costs, determinants and informal flows, *World Bank Policy Research Working Paper*, No. 3704, Washington, DC: World Bank.
- Held, D., A. McGrew, D. Goldblatt and J. Perraton. 1999. *Global transformations: Politics, economics and culture*. Stanford, CA: Stanford University Press.
- Haywood, J. 2008. *The great migrations: From the earliest humans to the age of globalization*. London: Quercus Publishing.
- Integrated Regional Information Networks (IRIN). 2012. ISRAEL: New law designed to stop "infiltrators." (January 10). Available at: <http://www.irinnews.org/report/94620/israel-new-law-designed-to-stop-infiltrators>. Accessed on January 15, 2014.

- International Organization for Migration (IOM). 2014 (January 10). Ethiopian returnees from Saudi Arabia top 151,000. Available at: <http://www.iom.int/cms/en/sites/iom/home/news-and-views/press-briefing-notes/pbn-2014/pbn-listing/ethiopian-returnees-from-saudi-a.html>. Accessed on January 22, 2014.
- International Organization for Migration (IOM). 2004. *International migration Law: Glossary on migration*. Geneva: IOM.
- Kunz, E. 1973. The refugee in flight: Kinetic models and forms of displacement. *International Migration Review*, 7:125–146.
- Lucas, R. and O. Stark. 1985. Motivations to remit: Evidence from Botswana. *Journal of Political Economy*, 93: 901–918.
- Middle East & North Africa. 2014 (5 January). Israel's African migrants protest against detention and expulsion. Available at: <http://www.ft.com/cms/s/0/915b4624-7611-11e3-8c8d-00144feabdc0.html#axzz2r3OleKE4>. Accessed on January 17, 2014.
- Organization of African Unity (OAU). 1969. *Convention governing the specific aspects of refugee problems in Africa*. Available at: http://www.au.int/en/sites/default/files/Convention_En_Refugee_Problems_in_Africa_AddisAbaba_10September1969_0.pdf. Accessed on January 25, 2014.
- Pagden, A. 2001. *Peoples and empires: A short history of European migration, exploitation, and conquest, from Greece to the present*. New York: The Modern Library.
- Penninx R. 1982. A critical review of theory and practice: The case of Turkey. *International Migration Review*, 16: 781–818.
- Ratha, D. 2012. *Outlook for migration and remittances, 2012-14*. Available at: <http://www.un.org/esa/population/meetings/tenthcoord2012/V.percent20Dilippercent20Rathapercent20-percent20Remittancespercent20andpercent20theirpercent20costs.pdf>. (World Bank). Accessed on January 17, 2014.
- Rubenstein, H. 1992. Migration, development, and remittances in rural Mexico. *International Migration*, 30: 127–153.
- Skeldon, R. 1997. *Migration and development: A global perspective*. Essex: Longman.
- Stark, O. 1978. *Economic-demographic interactions in agricultural development: The case of rural-to-urban migration*. Rome: FAO.
- . *The migration of labor*. Cambridge & Oxford: Blackwell.
- Stark O. and D. Bloom. 1985. The new economics of labor migration. *American Economic Review*, 75: 173–178.

- Todaro, M. 1969. A model of labor migration and urban unemployment in less-developed countries. *American Economic Review*, 59:138–148.
- Todaro, M. and L. Maruszko. 1987. Illegal migration and US immigration reform: A conceptual framework. *Population and Development Review*, 13:101–114.
- United Nations (Population Division, Department of Economic and Social Affairs). 2013. Available at: <http://esa.un.org/unmigration/TIMSA2013/migrantstocks2013.htm?mtotals>. Accessed on January 15, 2014.
- United Nations. 1951. *Convention relating to the status of refugees*. Available at: https://treaties.un.org/doc/Treaties/1954/04/19540422percent2000-23percent20AM/Ch_V_2p.pdf. Accessed on January 25, 2014.
- Trends*. 2013. Global remittances \$550bn in 2013. Available at: <http://trendsmena.com/global-remittances-550bn-in-2013/>. Accessed on January 26, 2014.
- World Socialist Web Site*. 2005 (January 6). European Union continues to build a “fortress Europe.” Available at: <https://www.wsws.org/en/articles/2005/01/asyl-j06.html>. Accessed on January 31, 2014.

CHAPTER TWO

Zimbabwe Skilled Migrants in Botswana: What are the Impacts?

Albert Makochekanwa and Prosper Kambarami

Introduction and Problem Statement

International migration is a complex and often controversial issue. The challenge for policymakers is to achieve the potential economic benefits of migration while managing the associated social and political risks (Ratha and Shaw 2007). In fact, current trends show that international migration is at record high levels and is unlikely to slow down in the near future. The total number of international migrants was estimated to be over 200 million in 2009 (United Nations 2009). By comparison, according to the United Nations, Department of Economic and Social Affairs (UNDESA 2003), the number of international migrants was estimated at 75 million in 1960. It is probable that future migration flows will increase, as processes of urbanization and globalization continue their advance, and the full impact of climate and population change takes effect in both developed and developing countries.

As indicated by UNDESA (2008), migrants are rather equally distributed across three types -- South–North (62 million or 33 percent), South–South (61 million or 32 percent) and North–North (53 million or 28 percent). Only 14 million or seven percent are North–South migrants. However, it is important to take these estimations very carefully. Because of limited data collection capability in many developing nations and the difficulty in measuring irregular migration flows, the volume of South–South migration, including the migration of Zimbabweans, is undoubtedly underestimated.

Although a number of studies have been done on Zimbabwe's migration (both immigration and emigration) over the recent years, most of these studies have been mainly on Zimbabwe migrants to either South Africa or the United Kingdom. No study has analyzed the profile of documented Zimbabwean migrants in the neighboring country of Botswana, with regards to the nature and type of migrants, whether the migrants constitute brain drain (from Zimbabwe's perspective) or brain gain, and the possible violations of the rights of Zimbabweans in Botswana. This is surprising because Botswana was the top country of destination in Africa for Zimbabwe documented migrants. For example, between 2002 and 2005, about 8892 Zimbabweans left for Botswana as opposed to the 5680 and 3391 who left for Mozambique and South Africa, the two other important destination countries in Africa, respectively (ZIMSTAT (Formerly Central Statistical Office (CSO) Migration & Tourist Statistics).

The study is motivated by the following two reasons. First, by exploring the positive economic benefits of Zimbabwean migrant skilled workers in Botswana, the study intends to propose policy recommendations for Botswana in the event that the current stock of Zimbabwean nurses and teachers return to Zimbabwe (once the economy peaks). Second, the study will come up with policy recommendations that Zimbabwe can implement to avoid possible future brain hemorrhage.

Therefore, the study intends to answer the following questions: What is the level of education of Zimbabweans working in Botswana's schools/colleges (as teachers/lecturers) and health institutions (as nurses and doctors, among others)? What are the positive impacts of skilled Zimbabwean workers in Botswana and what policies should Botswana consider avoiding the collapse of its educational and health institutions currently manned by Zimbabweans in the event they decided to return to their country? What policies can Zimbabwe put in place to absorb Zimbabwean professionals in Botswana and to curtail brain drain in the future? What type of human rights challenges do Zimbabwean migrant workers experience in Botswana and how best can Botswana address irregular treatment of Zimbabweans by law enforcement agencies, such as Botswana police force and immigration officials?

Given this, the research is significant in that it provides pragmatic policy recommendations for Zimbabwe and Botswana to address this multi-dimensional migration issue. Unless such policies are suggested and implemented, Zimbabwe will probably continue to train education and health personnel which will be lost to other countries. On the other hand, unless Botswana considers implementing some of the policies suggested in this study, the country will likely face challenges in education and health personnel, and hence decline in standards once Zimbabweans return to their country. Further, there is need for Botswana to adopt best practices in the treatment of aliens within its jurisdiction and the proposed trajectories from this study will go a long way in that effect.

Background to Emigration of Zimbabweans

A number of significant characteristics pertaining to Zimbabwean emigration can be identified with regard to emigration flows and, more generally, cross-border movements that have occurred since the 1990s. First, there has been a progressive rise in emigration flows and cross-border movements; this rise has accelerated since 2000, as the national economic situation dramatically deteriorated (Makina 2007; Muzondidya 2008; Kiwanuka and Monson 2009; IOM 2009a). Second, the vast majority of migration and cross-border movements occur within the Southern African region, but still our knowledge of such migrations, including the migration of Zimbabweans within the southern Africa region, is limited. Third, the main forms of migration and cross-border movements that have flourished since the 1990s are the following: irregular migration, informal cross-

border trade, migration of highly skilled nationals, and survival migration of the poor and impoverished (Tevera and Crush 2003).

Overall, the last two decades have been characterized by annual net migration losses, especially in the years immediately after independence. In the early 1980s large numbers of whites were leaving the country, and between 1980 and 1984, there was a net migration loss of over 10,000 people per year. The peak net migration loss in the history of the country was experienced in 1981, a year after independence, when 20,536 people left against 7,794 arrivals, a net loss of 12,742. The number of emigrants each year declined to below 7,000 in the mid-1980s and to below 3,000 in the 1990s (ZIMSTAT). The decline in emigration from the mid-1980s was in part because the population base for potential emigrants— mostly the white community — had been greatly reduced in number and those who wanted to leave had already done so.

The number of immigrants entering the country through official ports of entry reached its peak during the early 1980s when over 5,000 arrivals were recorded each year between 1980 and 1985. Some of these were Zimbabweans who had been living abroad during the colonial period and were now returning home from political exile. Since the late 1980s, the number of immigrants has declined to not more than 3,500 per year. They included expatriate workers who were on two- to five-year work contracts in fields where local skills were unavailable by then in both the public and private sectors, including medicine, engineering, architecture, accountancy and tertiary education. On the other hand, emigration has been on a rising trend since 2000 (ZIMSTAT).

It is widely recognized that the main countries of destination of Zimbabwean emigration flows are the neighboring countries of South Africa, Botswana, Mozambique, Malawi and Zambia (Kiwanka and Monson 2009). But only the migration of Zimbabweans to South Africa has attracted some attention from both journalists and researchers probably because a large number of irregular Zimbabwe migrants have entered the country over the last twenty years. Very few studies have been conducted on migration in other Southern African countries, including Botswana, where there appears to have been the largest migration of documented and skilled Zimbabweans to Botswana.

Review of the Relevant Literature

The concept of migration has been part of human history since the conception of human race. From the biblical migration narrations of the Israelites from Egypt to the promised land of Canaan to the contemporary era of globalization, migration continues to be part and parcel of humanity's life. Whilst literature commonly uses the word migration to refer to human movement, it is important to delineate the two terms of immigration and emigration. Immigration (derived from Latin: *migratio*) is the act of foreigners coming into a country for the purpose of permanent

residence. On the other hand, emigration is the act of leaving one's country or region to settle in another. This study is about emigration, and whenever the word migration is used, it will be implying emigration.

Conceptually, De Haas (2010) contends that migration is a complex and 'messy' process. As such, when analyzing migration, it is unrealistic to expect that a one-size-fits-all theory will explain migration in all places and at all times. This lack of strict one theory that explains migration has resulted in a number of theories including the push-pull models, the neoclassical theories, and the spatio-temporal model/vital transition models, among others.

The push-pull theory, which is the conventional wisdom, holds that international migration is mainly driven by global differences in levels of wealth and human development. This theory advances the idea that people move from low income to high income areas, and this view has remained dominant in migration studies since Ravenstein (1885, 1889) formulated his laws of migration. The neo-classical migration theory, pioneered by Todaro (1969) and Harris and Todaro (1970), and used by Borjas (1989) and Todaro and Maruszko (1987), views migration as a function of geographical differences in the relative scarcity of labor and capital. In this view, the resulting wage differentials cause workers to move from low-wage, labor-surplus regions to high-wage, labor-scarce regions. Bauer and Zimmermann (1998) and Sjaastad (1962) refined this model to incorporate costs and risks of migration and interpreted migration as an investment in human capital. Within this perspective, individual migration decisions are made by rational actors who are guided by comparing present discounted value of lifetime earnings in alternative geographic locations, with migration occurring when there is a good chance of recouping human capital investments.

And with respect to studies on Zimbabwe, Tevera and Crush (2003) investigated Zimbabwe's brain drain by focusing on the appetite and probability of skilled migrants leaving Zimbabwe. The study found that (by then), 57 percent of the sampled population had given a "great deal" of thought to emigrating from Zimbabwe (with another 29 percent having given the matter some thought). Only 13 percent have given it no consideration. In terms of gender breakdown, more women than men have given a great deal of thought to emigrating (62 percent versus 54 percent). In age terms, Zimbabweans in the 25 years to 35 years age groups have given most thought to migrate.

Although the above study provided information on the potentiality of emigration, it however did not provide information covered in the current research. For instance, in as much as Tevera and Crush (2003) has investigated the potential and propensity of skilled and professional Zimbabweans to emigrate, the destination of potential emigrants were across Southern Africa and beyond. In the current study, we investigate the extent to which the Zimbabweans who have immigrated to Botswana are

skilled or un-skilled. By virtue of knowing the emigrants' profile in terms of academic qualifications, this study further infers the extent to which there was brain drain (from Zimbabwe's side) and/or brain gain (in Botswana's side). This study further analyzes the extent to which Zimbabwean emigrants to Botswana have experienced any discriminatory labor practices -- an investigation which is missing in the Tevera and Crush (2003) research.

The other issues examined in the current study and which are not covered in Tevera and Crush (2003) study include policy recommendations which Botswana can consider implementing to avoid collapse of its education and health institutions should Zimbabweans manning those institutions decide to return to their country. Also included are policy recommendations for Botswana to implement with regards to dealing with the human abuses inflicted on Zimbabweans, especially by Botswana police force and immigration officials, are provided.

Although Zanamwe and Devillard (2009) had also profiled Zimbabwean migration, they did not investigate the level of education of those migrants and neither do they focus on the emigrants living and working in Botswana as well as the various human rights challenges experienced by these migrants in the latter country. Furthermore, their recommendations did not provide policy prescriptions that Zimbabwe can consider putting in place to attract back those skilled professionals who left the country, and to ensure limited future brain drain in its education and health institutions, and neither did it propose any relevant policies which Botswana can consider implementing to avoid collapse of its education and health institutions should Zimbabweans manning those institutions decide to return to their country. The above shortcomings are addressed here will help fill the gap in our knowledge of Zimbabwean migration to Botswana

Similarly, Crush and Tawodzera (2011) study on medical xenophobia and how xenophobia manifests itself within the public institutions that offer health services to citizens and non-citizens in South Africa contrasts with the present study that will (1) profile human rights abuses on Zimbabwean skilled migrants working in education and health sectors in Botswana, and (2) analyze Zimbabwean skilled migrants from both education and health sectors who are living and working in Botswana institutions.

Overall, the present study fits well with previous studies on Zimbabwe migrants, as it will not only close the various literature gaps pointed earlier on Zimbabwean skilled migrants in Botswana, but most importantly in terms of its tailored and pragmatic policy-relevant recommendations for both the policy makers in Botswana and Zimbabwe.

And in terms of the possible approach that can be used in analyzing the dynamics of migration, Puentes *et al.* (2010) argue that the analysis must include both costs and benefits to sending and receiving countries but must not leave out those impacts on migrants and their families, including those

who did not migrate but are directly affected by the migration. They propose a four broad analytical framework, as depicted in Figure 1.

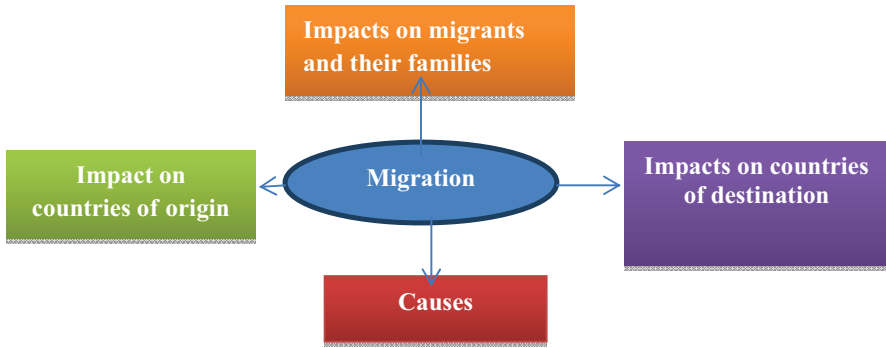


Figure 1: The Four Dimensions of Assessing Migration

Source: Modified from Puentes *et al.* (2010, 6)

Each of the four analytical dimensions has its own relevant indicators. This study analyzed indicators in all the four dimensions. With regards to the “*impact on countries of origin*” dimension, the study mainly investigated the social costs, mainly in terms of human capital; that is, the extent to which Zimbabwe has ‘lost’ the money it invested in training health and education personnel who later left the country to work in such countries as Botswana. On the “*Impact on countries of destination*,” the research largely investigated the economic impacts on Botswana resulting from the migration of Zimbabwean skilled health and education workers; for instance, contribution to gross domestic product (GDP), salary transfer, fiscal contributions, savings in costs of preparation and training of the labor force (health and education), and contribution to innovation systems and technology development. On the “*impacts on migrants and their families*,” the research restricted its analysis to impacts on state responsibility, and impacts on labor conditions encompassing rights to safe mobility, labor rights, access to residence and citizenship, right to family reunification and access to social services, salary discrimination, labor precariousness, and occupational segregation. Lastly, on the “*causes*,” the research analyzed some of the major reasons why most Zimbabwean teachers and health professionals left their jobs in their country of origin and relocate to work in Botswana.

Methodology

Given the questions raised in this study, the research employed triangulation method in which various complimentary methodologies were used. The approach and methodology give the manner in which the study achieved the objectives stated above. Specifically, the study achieved its objectives by using a four-pronged methodological approach composed of

(1) extensive literature review, including previous studies, official migration figures from Zimbabwe National Statistical Agency (ZIMSTAT), Zimbabwe's Central Bank, and Botswana's Central Statistical Office (CSO) and Botswana's Department of Immigration; (2) survey interviews (through a structured questionnaire); (3) focus groups; and (4) four case study schools and two health facilities. The interviews and focus groups were conducted in Botswana's capital city of Gaborone and its surrounding areas.

Data Collection and Analysis

The data collection entailed three methods. First, interviews with key informants were conducted. The study used a structured questionnaire and obtained information from both teachers and health professionals currently working in Botswana. Second, focus group discussions (FGDs) with six informants were conducted one at each of the four schools and one at each of the two health facilities. Third, a desk study review of existing studies and obtaining additional data from sources and contacts were conducted. Lastly, four case study schools and two health facilities were investigated. The data collected through interviews, secondary data and literature review was collated and analyzed to get concrete evidence of the issues raised in the study. Two data analysis approaches were used: (1) simple quantitative analysis in which data collected were presented in various types of graphs and tables, and (2) qualitative analysis of the information from the interviews and focus group discussions.

The literature review was used to provide the background to Zimbabwe's migration, with official governments (Botswana and Zimbabwe) documents and records providing the information relating to the type (skilled, unskilled, asylum seekers, etc.) of migrants from Zimbabwe to Botswana. The interviews and FGDs were aimed at soliciting the required information mainly from the migrant Zimbabweans living in Botswana. Furthermore, the interviews, especially with skill mannered institutions, such as schools and hospitals/clinics in Botswana, also provided information which highlighted the extent to which Zimbabwean migrant teachers and health personnel have provided the required relevant skills in such institutions.

On the skilled Zimbabwe migrants, the study conducted case studies of four private (English medium) schools and two private hospitals, all located in Gaborone¹. Selection of these schools and hospitals was based on the fact that, as private entities which strive to provide best education and medical services, these schools and hospitals have been mainly using expatriate teachers and health personnel and most of these expatriates are from Zimbabwe. Thus, a critical analysis of the nationalities, among other things, of staff in these institutions provided information on the extent to which Zimbabwean migrants have been a brain gain to such institutions in Botswana. The study interviewed a total of 20 Zimbabwean teachers working in each of the four schools and 30 Zimbabwean health professionals from each of the two hospitals. The selection of the respective

individual teachers in each of the four schools and health personnel in the two health institutions were purely on random basis. After a potential interviewee was approached, the interviewer first asked the respondent for consent and only after the respondent's consent was the interview conducted. In as much as possible, the study tried to include female interviewees to ensure that gender concerns and views were also taken on board. With regards to focus group discussions, the research held one focus group discussion in each of the four schools and two hospitals making it a total of six focus group discussions.² The information collected focused on (i) the extent to which the migrants are skilled or un-skilled, (ii) the sector of the migrant's employment in Botswana, and (iii) the extent to which the migrants experienced possible violations of their human rights.

Study Findings

This section reports the main findings of the study. The study aimed to interview 80 Zimbabwean teachers currently working in education institutions, and 60 health personnel in the health sector in Botswana. Although the investigators distributed 100 and 80 questionnaires to education and health professionals, respectively, only 64 teachers completed the questionnaires, giving a response rate of 80 percent. For the health sector, 46 completed questionnaires were returned, giving a response rate of 77 percent. Overall, the response rates in both cases were satisfactory, and to this end the analysis and findings are deemed to be representative of the sampled population.

Characteristics of the Respondents

Categorization into Private and Government Institutions

All of the respondents from the education sector were from private schools, while 80 percent of respondents from the health sector were from private health facilities, with 20 percent from government health entities (see Table 1). In the case of education, most Zimbabweans who were interviewed were unable to teach in Botswana government schools mainly because the teaching set up emphasizes the use of local languages, mostly Setswana. Thus, most foreign teachers are mainly employed in the private schools. For those employed in the health sector, language is not that much important, though most Zimbabweans prefer to work in Botswana private health facilities as opposed to government entities, given that the former provide relatively better working conditions and generous remunerations when compared to the latter.

Table 1. Distribution of the respondents

	Education		Health	
	Frequency	percent	Frequency	percent
Facility owner				
Private	64	100	37	80
Government	-		9	20
Total	64	100	46	100

Gender Dimension of Respondents

Figure 2 provides a pictorial view of the distribution of the respondents between male and female. Panel 'A' shows the respondents from the education sector while Panel B shows those from the health professionals. In each panel, the top value (before the comma) shows the actual number of respondents, while the later value (after the comma) indicates the percentage share. Panel A indicates that 27 out of 64 (or 42 percent) of the respondents were female, with the larger proportion, 37 out of 64 (58 percent) being male. This is in sharp contrast with the case of health respondents. Panel B shows that the larger proportion (65 percent) of the respondents were female, while the share of male health professionals was 35 percent (or 16 out of 46 respondents).

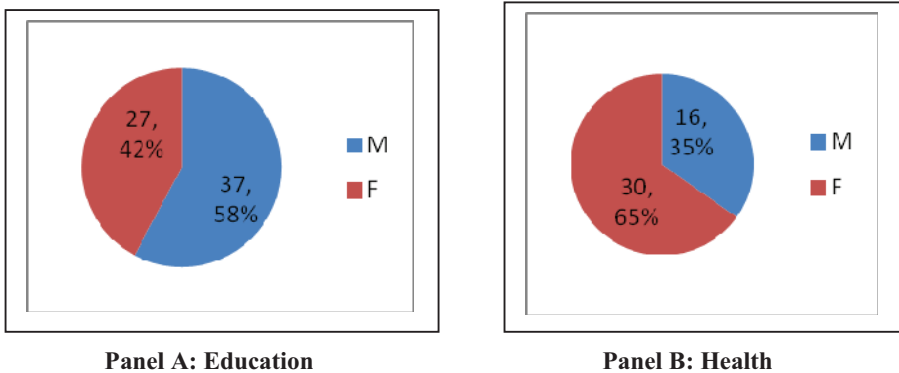


Figure 2: Gender Dimensions of Respondents

Academic Qualifications of Zimbabwean Professionals

The overall findings from the research shows that all Zimbabweans interviewed and working in Botswana's education and health institutions were qualified, with various qualifications from higher tertiary institutions. Figure 3 provides the specific distribution of the qualifications of the respondents. With regards to teachers (Panel A), a total of 45 (representing 58 percent) of the respondents indicated that they had at least a first degree, while three of them (4 percent) had Master's degree. Only two teachers indicate that they only had teaching certificates while 25 (or 32 percent) had teaching diplomas. Overall, the academic qualification of Zimbabwean teachers working in Botswana schools shows that they were highly qualified as teachers. None of them was using secondary school (ordinary (O) or Advanced (A) levels) qualifications.

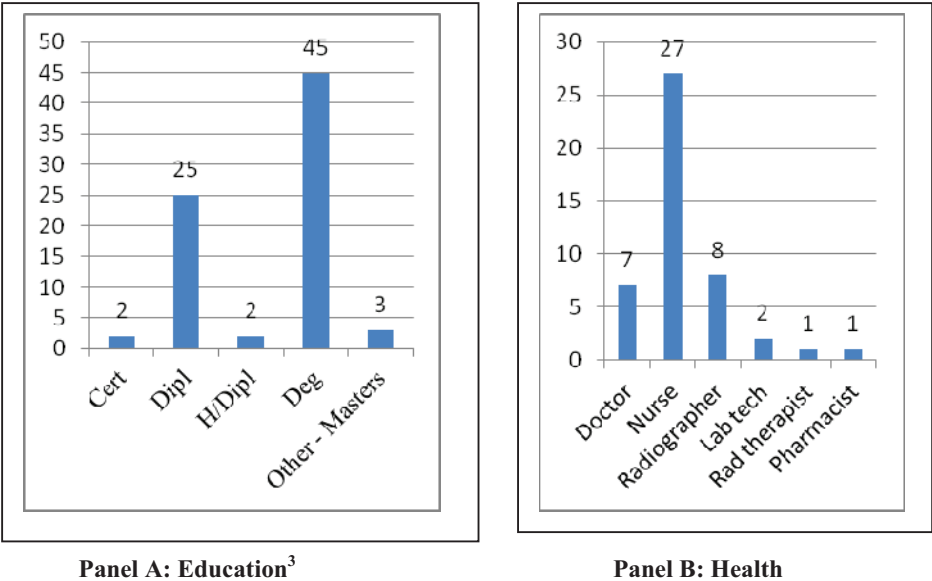


Figure 3: Qualifications of Respondents

Panel B of Figure 3 provides the academic profile of the Zimbabwean health professionals who were interviewed. Out of the total of 46 health professionals, the majority of them, 27 (or 59 percent), had nursing qualifications, while 8 out of 46 (17 percent) had degrees in radiography. In the sample, only seven (15 percent) were medical doctors, while two (4 percent) were laboratory technicians. There was only one individual from each of the two health professionals – radiation therapist and pharmacist. As with education, the overall picture shows that Zimbabweans working in the health facilities in Botswana (Gaborone) are highly qualified for the work they do, as evidenced by the fact that they possess relevant tertiary academic qualifications.

What can be safely concluded from the academic profiles of the Zimbabwean teachers and health professionals working in Botswana, as shown in the above two paragraphs, is that Zimbabwe experienced brain drain, as it lost qualified education and health professionals who migrated to work in Botswana. The fact that most these interviewed were not only trained in their country of origin, but especially that before they came to work in Botswana, they were employed as teachers or health professionals in Zimbabwe implies that the latter country was deprived of their services. On the other hand Botswana “brain gained” what was “brain lost” by Zimbabwe.

Type of Work

The majority of Zimbabwean teachers are currently working as secondary school teachers as opposed to primary school teachers. Figure 4 indicates that out of the 64 respondents, 36 (or 55 percent) of the teachers were secondary school teachers spread across Form 1 (F1) through Form 5 (F5)⁴. A total of 29 (or 45 percent) teachers indicated that they were teaching in primary schools.

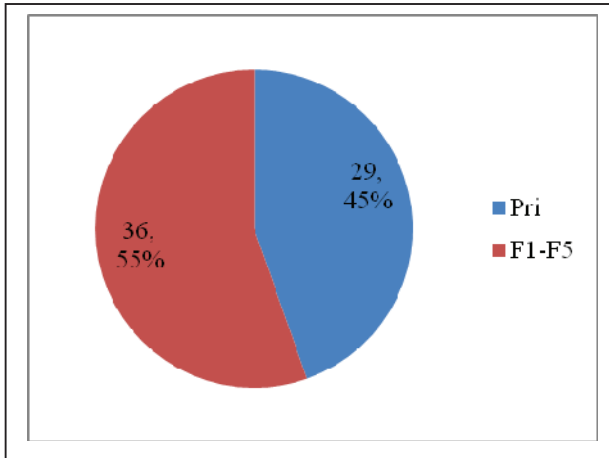


Figure 4: Distribution of Teaching Levels

Source: Interview survey results

An analysis of the various subjects that most Zimbabwean teachers were teaching (whether at secondary or primary schools) as shown in Figure 5 indicates that 33 (24 percent) of the teachers were teaching Mathematics. English language teachers were the second in number, accounting for 26 (19 percent) of the total educationists who were interviewed. Third on the hierarchy were Science teachers, where 16 percent of total teachers indicated that they were teaching this subject. The fact that the majority of Zimbabwean teachers were teaching Mathematics and Science is not a surprise given that Botswana, like most southern African countries, have many students who “do not like” these two subjects, as they are considered difficult. Thus, with few graduates in Mathematics and Science from secondary schools, it means that even at tertiary level, very few Botswana will be available to be trained in such subjects. It follows that the country will have limited local teachers qualified to teach these subjects.

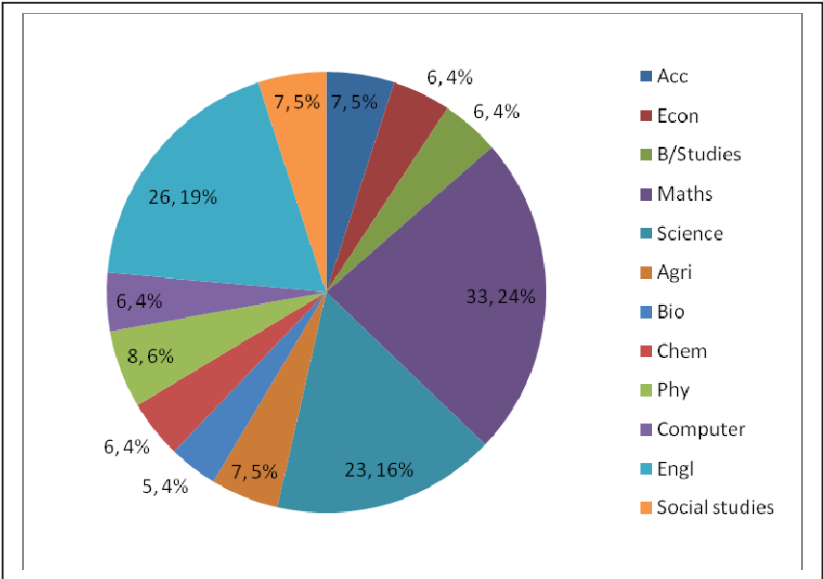


Figure 5: Distribution of Subjects Taught⁵

Source: Interview survey results

Key: Acc = Accounts; Econ = Economics; B/Studies = Business Studies; Maths = Mathematics; Agri = Agriculture; Bio = Biology; Chem = Chemistry; Phy = Physics; and Engl = English

In the health sector, Zimbabwean health personnel were distributed across five different occupations. Figure 6 indicates that out of the 46 health professionals in the survey, nearly two-thirds were practising nurses. Specifically, 27 (59 percent) of the 46 Zimbabwean health professionals working in Gaborone health facilities were nurses. Those who were working as medical doctors in various hospitals and clinics represented seven (15 percent) of the total respondents. The professions which had the least number of representatives in the survey were radiation therapists and pharmacist as they had only one person each.

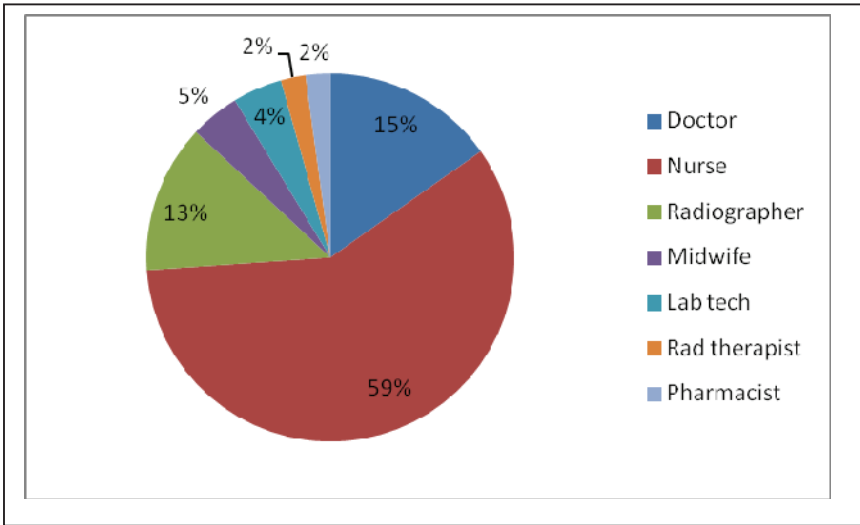


Figure 6: Distribution of Health Personnel

Source: Interview survey results

Key: Lab tech = laboratory technician; and Rad therapist = Radiation therapist

The Year the Respondents Left Zimbabwe

All the interviewed teachers responded to the question: “When did you leave Zimbabwe?” as opposed to only 41 (of the 46) of health professionals who responded to this question. Table 2 indicates that 18 (out of the 64) teachers, accounting for the highest percentage of 28 percent of teachers who left the country in 2008, while the highest number of health professionals, 10 out of 41 (or 25 percent), left the same year. The year 2008 is also the year which is considered the peak of the country’s economic hardships and political violence in Zimbabwe’s history since the beginning of the new millennium.

On the economic front, 2008 is the year when the official inflation reached the highest ever recorded of 231 million percent (in July 2008), and when most shops were virtually empty of all types of products. In fact, most people were doing their shopping from Mussina (South African town at border with Zimbabwe) while some were doing their shopping in Francistown (a town approximately 80 kilometers in Botswana from the border with Zimbabwe). Furthermore, formal unemployment was believed to have been around 94 percent (OCHA 2009). Overall, the economic situation was such that most people found it difficult to earn a decent living, even those who had some meaningful income.

Table 2: Year respondents left Zimbabwe

Year	Education		Health	
	Frequency	Percent	Frequency	Percent
2012	3	5	2	5
2011	3	5		0
2010	2	3	7	17
2009	5	8	6	15
2008	18	28	10	24
2007	10	16	6	15
2006	8	13	4	10
2005	2	3		
2004	2	3	1	2
2003	7	11		
2002 (or before)	4	6	5	12
Total	64	100	41	100

The year 2008 is also recognized as one of the darkest year on the political front in Zimbabwe's history since 2000. This was mainly due to parliamentary and repeated presidential elections. While the first round of election in March of 2008 was peaceful, the campaign for the June re-run (or run-off) presidential elections was predominantly violent. Some of the most-targeted victims of these violent campaigns were teachers, especially those teaching in rural areas, as they were accused of supporting the opposition party. In fact, studies around this issue (for instance; Reeler 2009) indicate that out of a total of 15,530 election related violent crimes, including abductions, arrest and detention, assault, murder and attempted murder, death threats and so forth committed between 2000 and 2008, more than 50 percent were committed in 2008. Most teachers fled rural schools where they were teaching at and some schools were left with skeleton teaching staff. Even when the situation improved towards end of 2008, some of those teachers had already left the country to, among other countries, Botswana and South Africa, where their services were needed. The exodus of teachers specifically in 2008 was acute to the extent that the marking of both ordinary (O) level and advanced (A) level examination papers were delayed, as quoted in this local newspaper:

Most teachers have left the classroom to seek out a living elsewhere, and end-of-year examinations taken in November have yet to be graded after the markers demanded their wages in foreign currency.⁶

Teachers worked an average 23 days only last year [2008], protesting better working conditions and wages, a situation that seriously disrupted writing and marking of Grade Seven, O and A Levels examinations.⁷

With regards to other years, 2007 also recorded the second highest in terms of educationists who left Zimbabwe for Gaborone. Specifically, 10 (16 percent) of the 64 interviewed teachers said they left the country in that year. In the case of health professionals, 7 (17 percent) of the 41 respondents said they left Zimbabwe in 2010. The 2008 political violence which displaced teachers also affected some health personnel in rural areas, though not to the same severe extent as that which affected teachers.

Number of Years Working in Botswana

Table 3 shows the number of years that teachers and health professionals have been working in Botswana. In both instances, the majority indicated that they have been working in the country for a period ranging from two to five years. Specifically, 21 (or 33 percent of) teachers indicated to have worked in Botswana for this duration of period (that is, between 2 years and 5 years), while 29 (63 percent) of medical professionals also indicated to have been working for these range of years.

Table 3: Number of years working in Botswana

Years	Education		Health	
	Frequency	Percent	Frequency	Percent
<2yrs	9	14	3	7
2<y<5	21	33	29	63
5<yrs<8	19	30	5	11
>8yrs	15	23	9	20
Total	64	100	46	100

Reasons for Leaving Zimbabwe

A number of reasons were given by both teachers and medical personnel as to why they left Zimbabwe to work in Botswana. Figure 7 provides a summary of some of the major factors which contributed to the push and pull factors for the movement of Zimbabwean teachers and health professionals to Botswana.

Economic Meltdown

For both the two professionals, economic meltdown in Zimbabwe was the number one reason why they left the country (Figure 7). Out of a total of 64 respondents from teachers, 54 (or 84 percent) singled economic problems, while 34 (74 percent) of the 46 respondents from health sector indicated the same factor. Whilst the respondents defined economic meltdown differently, the common issues raised were related to factors such as (hyper-) inflation (which has already been alluded to earlier), poor salaries, poverty, hunger and non-availability of food stuffs.

Political Violence

In the case of teachers, the second push factor was political related violence. A total of 24 respondents, translating to 38 percent of total responses, indicated this factor as one of the factors which forced them to relocate to Botswana. As has already been alluded to, there was intense political victimization especially after the March 2008 election and during the June 2008 run-off presidential elections. In the case of medical personnel, 11 (24 percent) respondents pointed to political factors as a major push variable for their migration.

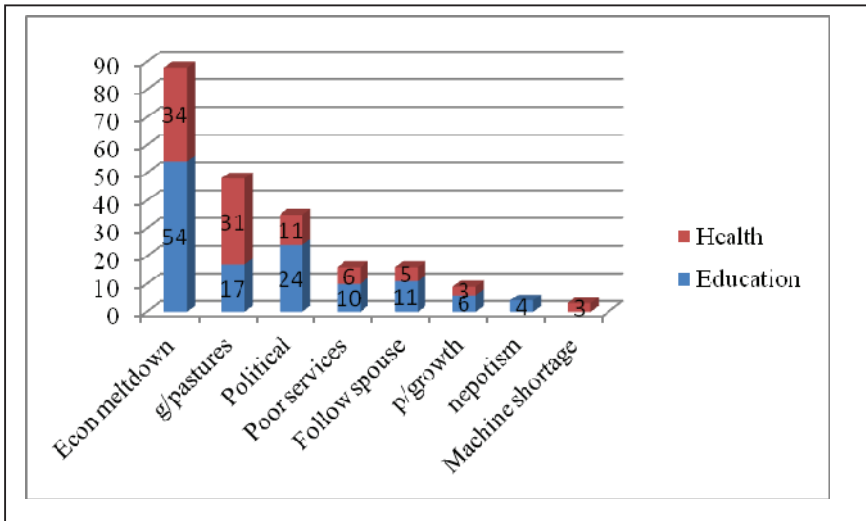


Figure 7: Reasons for Leaving Zimbabwe⁸

Source: Interview survey results

Key: Econ meltdown = economic meltdown; g/pastures = greener pastures;
p/growth = personal growth

Seeking Greener Pastures

A total of 31 (around 67 percent) respondents from the Zimbabweans working in health facilities in Gaborone said they left the country as they were attracted by better and more remunerating positions in Botswana. Pushed by economic meltdown, and specifically by hyperinflation which was being experienced in Zimbabwe during 2006 to 2008, Botswana was one of the favorite destinations for Zimbabweans, as it promised better opportunities underpinned by stable economic environment, with inflation rate consistently below 10 percent for years. Besides better paying jobs compared to the then prevailing salaries in Zimbabwe, most Zimbabweans who were flooding to Botswana were, among others, assured of salary with stable purchasing power, and as such, they could easily budget and plan even for a relatively long term. Teachers placed the issue of seeking

greener pastures on the third place, where 17 (or 27 percent) of the total respondents who indicated this as an important factor.

Following Spouse

The other push/pull factor which featured in the responses was the case of following one's spouse. In both cases, the majority of women⁹, more than 80 percent, indicated that they relocated to Botswana to join their husbands who had already left the country. This was the number one factor in both instances for married women.

Poor Services

A sizeable number of teachers and health personnel interviewed also raised the issue of poor working conditions and services in the Zimbabwean education and health systems (mainly government institutions). For instance, teachers indicated that there were limited textbooks while health personnel, especially nurses and doctors, said there was shortage of medical drugs and ancillaries to such an extent that all their efforts were not yielding desirable results. For those who were working in towns and cities, and commuting to their respective places of work, transport costs were so high (especially in 2008) to the extent that all their salaries ended up paying for bus/commuter fares. Again, other benefits, such as medical aid, were not working as their contributions were lagging far behind the medical charges at any particular time. Most medical aid societies were unable to meet some of the incurred medical bills. This forced health providers (clinics, hospitals etc.) to demand cash from patients who in turn will make expense claims from medical insurance companies.

Nepotism in Promotion

Some teachers indicated that they were discouraged in their professional growth ladder as some promotions were done on nepotism basis. The respondents claimed that an individual needed to have someone in the top ranking of the education system for him or her to be promoted or transferred to a better government school. This de-motivated some teachers who then decided to leave their positions in Zimbabwe and work in Botswana.

Personal Growth

Some individuals indicated that they decided to relocate and work in Botswana to ensure their personal growth. Although they defined personal growth in various ways, the common issue raised was in terms of career growth and financial improvement. Given their academic qualifications, most Zimbabweans thought that they will stand a chance to be in senior positions in their respective field of work when in Botswana than when in Zimbabwe. They indicated that it took longer time, for instance, for a teacher to be head of a department (HOD) at a school in Zimbabwe due to stiff competition than in Botswana. On the other hand, some respondents

indicated that, given the strong value of the Pula, the Botswana currency, it was easier to accumulate property and fixed assets when working in Botswana than in Zimbabwe.

Dysfunction Medical Machines

Some medical personnel indicated that they were frustrated by unavailability of medical equipment and machines. For instance, in May 2009, the Zimbabwe Health Workers Association (ZHWA) reported that the CD4 count machines (used in HIV/AIDS testing) at nearly all major public hospitals were broken down: *“The CD4 counts machines at Parirenyatwa hospital, Harare hospital and that of Mpilo hospital are all not working”*¹⁰. Thus, with machines not working properly in most government hospitals, some health professionals thought that their work skills may be eroded with time if they do not constantly use such technical expertise. As such, they decided to migrate and work in Botswana.

Proposals to Attract Zimbabwean Professionals Back to Their Country

In an effort to get policy suggestions from those who left Zimbabwe to go back to their country, the respondents were asked to list what they thought were the most important factors for the Government of Zimbabwe to address so that they will be attracted back to Zimbabwe. The results of the responses are tabulated in Table 4.¹¹

Better Remuneration/Talaries

Both the teachers and the medical practitioners ranked “better remuneration” as the number one issue that should be addressed in order for them to be attracted back to Zimbabwe (in the immediate future). Nearly half (31 out of 63 or 49 percent) of respondents from the medical field singled out this factor; while 41 out of 94 (44 percent) responses from teachers echoed the same factor. The respondents clearly said they want value for their years of sweating when they were pursuing their education. Educated as they are (as shown before) with most of them with at least a degree, they indicated that they cannot be comfortable with the Government of Zimbabwe’s current (as of December 2012) gross salary of around US\$300 per month most civil servants get. Thus, they said, once salaries are improved, among other things, they will be willing to go back and contribute to the development of their country.

Table 4: Conditions for attracting Zimbabwean skilled people¹²

Condition	Education		Health	
	Frequency	Percent	Frequency	Percent
Remuneration	41	44	31	49
Working conditions	22	23	20	32
Improve political environment	8	9	6	10
Improve economic environment	11	12	5	8
Provide incentives	12	13	1	2
Total responses	94	100	63	100

Improved Working Conditions

Over and above the need for better salaries, Zimbabwe professionals working in Botswana indicated that they will be attracted to return to their motherland if working conditions are improved. A total of 23 percent and 32 percent of teachers and health professionals, respectively, indicated improved working conditions as an important factor which will attract them to go back and work in Zimbabwe. For instance, teachers cited shortage of textbooks, while medical personnel indicated obsolete machines as areas which needed improvement so that their efforts will not be frustrated after return. Some teachers also indicated that there was need for proper and adhered to procedure when it came to promotion from ordinary teacher through the ranks to headmaster, and also to provincial offices. The current system, they claim, was marred with nepotism and political affiliation.

Economic Environment

Improvement of the economic environment was also considered an important factor in attracting Zimbabwean professionals currently working in health and education sectors in Botswana. Twelve percent of respondents from Zimbabwean teachers and eight percent health personnel currently working in Gaborone emphasized the need for general improvement in the economic environment of Zimbabwe before they can decide to relocate back to the country. An important aspect of economic environment that will serve as pull factor for return to Zimbabwe most respondents mentioned was the need to maintain a stable and consistently below 10 percent inflation rate.

Political Environment

Some respondents pointed to the need for improvement in the political environment in Zimbabwe as one of the factors which can attract them to go back and work again in their country. A total of ten percent of responses from health sector and nine percent from education sector said they will be attracted to go and work again in Zimbabwe if the political environment becomes permanently stable. On this specific issue, some respondents

raised their fear due to the upcoming combined parliamentary and presidential elections in 2013. They said that they will be following the developments leading to the 2013 elections (as well as soon after) to see if political violence has become a thing of the past.

Provision of Incentives

Most respondents raised the issue of incentives, including concessional loans to acquire property, such as housing, stands (plots) to build houses, car loans etc. Most respondents said things such as cars, holidays, among others are no longer luxuries but necessities and they will really need. As such any help to acquire such necessities will attract them to go and work in Zimbabwe. Their concern is also important because most banks in Zimbabwe are currently giving very limited loans (in terms of amounts) and all purchases of houses, cars, etc., are done on cash basis.

Willingness of Teachers and Health Professionals to Return to Zimbabwe

Given that most respondents fled Zimbabwe due to economic meltdown, poor working conditions and political violence among other host of factors presented above, they were further asked the extent to which they were willing to return and work in Zimbabwe if some of the factors which pushed them out of that country were improved. Figure 8 displays the responses from the interviewees.

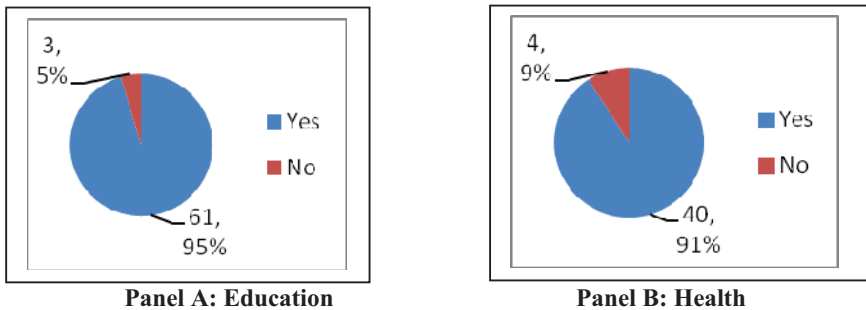


Figure 8: Number of Respondents Willing to Return and Work in Zimbabwe

Source: Interview survey results

In Figure 9, Panel A and Panel B show the responses from teachers and health practitioners, respectively. In both case, more than 90 percent of the respondents showed much interest in going back and work again in Zimbabwe. Specifically, 61 out of 64 teacher respondents (95 percent) said they will be very much willing to go back to Zimbabwe on the condition that the factors which pushed them out of the country were addressed. In the case of those working in the health sector, 40 out of 44 respondents (91 percent) said they will want to relocate back to Zimbabwe and continue in

their profession on the condition that the factors which forced them to leave the country were dealt with or addressed.

There were few respondents from both teachers and health professionals who said they will not return to Zimbabwe in the near future, even if the problems which pushed them out of the country were resolved. Specifically 3 out of the 64 (5 percent) interviewed teachers and 4 out of 44 (9 percent) health practitioners said they were not willing to return back to Zimbabwe. Although the questionnaire did not probe further as to why they were not willing to return to their country of origin, most of them (who were men) had married Botswana women (a factor which has its own benefits/attractions like residence permits etc.), and this might be one of the reasons why they are currently not willing to return and work in Zimbabwe.

The Impact of the Return of Zimbabweans on Botswana

Teachers and health practitioners from Zimbabwe were asked whether Botswana education and health institutions will be negatively impacted if they returned to Zimbabwe. The pictorial responses are shown in Figure 9. The majority of respondents from the two sectors under study affirmed that Botswana institutions will surely be negatively affected. From the education sector, 63 of the 64 (or 98 percent) interviewed teachers said unless Botswana government put or implement some measures (to be discussed in latter) into place, an exodus of Zimbabwean teachers currently teaching in its schools will negatively affect Botswana. The negative impact will be due to the fact that Botswana has limited qualified Botswana in some of the courses, especially Mathematics, Physics, Chemistry and Biology. Furthermore, the interviewed teachers claim that most locals do not like the teaching profession as they consider and prefer other kinds of occupation. This further adds to the issue of limited qualified Botswana in the teaching profession.

The findings from the health personnel indicates that 44 out of the 46 interviewed (96 percent) said that Botswana will be negatively affected by return of Zimbabwean health professionals to their country if it does not implement policies aimed to increase the number of locals qualified in the various disciplines of the health profession.

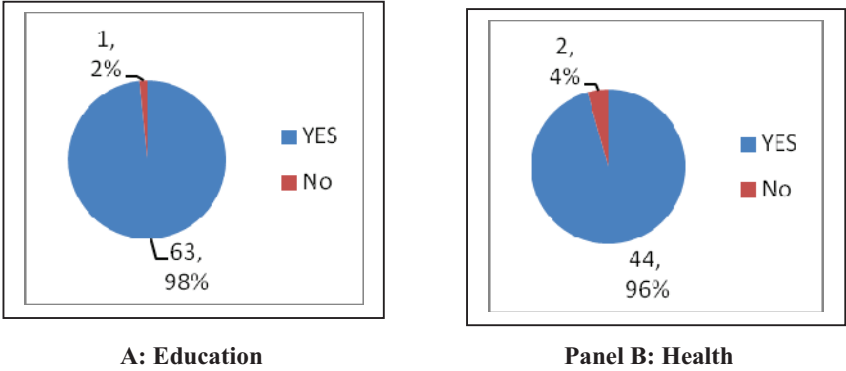


Figure 9: Effect of Zimbabwean Return on Botswana

Reasons Why Botswana may be negatively affected by the Return of Zimbabweans

A number of possible factors were raised by both education and health professionals as to why Botswana may be negatively impacted if Zimbabweans return to their home country. Figure 10 provides a pictorial view of some of the main reasons to this effect.

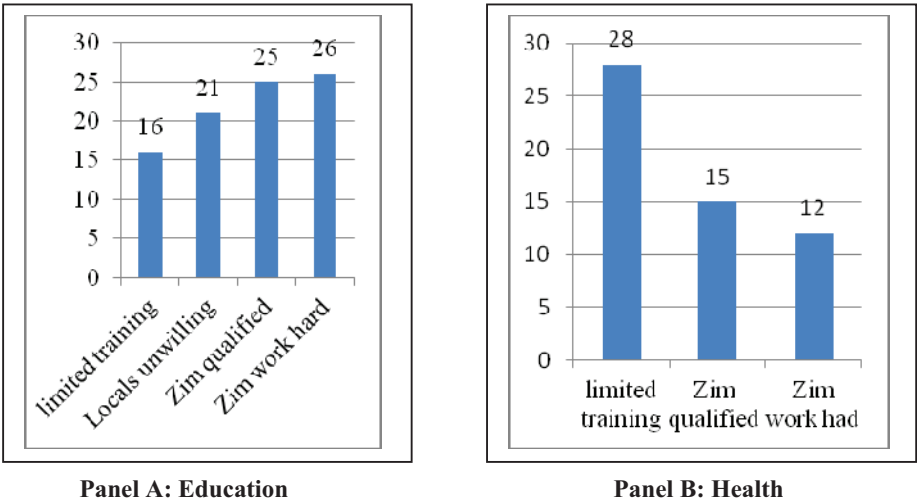


Figure 10: Factor Likely to Contribute to the Negative Impacts on Botswana¹³
Key: Zim qualified = Zimbabweans are qualified; Zim work hard = Zimbabweans work hard

Limited Number of Trained Locals

Most of the respondents from the two sectors mentioned limited training or number of qualified Batswana in some of the disciplines investigated. In the teaching sector, 16 out of 88 (or 18 percent) total responses indicated that Botswana has limited qualified teachers. Whilst the country has good teacher training institutions, most locals do not 'like' teaching profession and this has contributed to the limited number of qualified locals, especially Mathematics, Physics, Chemistry and Biology.

From the health sector, 28 out of 55 (51 percent) responses alluded to the fact of limited number of Batswana qualified in a number of medical disciplines. For instance, they said the country has no medical school which trains medical doctors, and over the years it has relied on Batswana trained outside Botswana or foreign doctors who come and work in Botswana. Although the country has, over the years, been helping locals to pursue medical studies abroad, some of those helped have not returned as they preferred to work overseas after their studies.¹⁴

Unwillingness of the Locals

With regards to education sector, besides limited pool of academically qualified locals, the respondents also indicated that some of the locals working in the country's schools have limited experience. Interviewees claim that locals dislike this profession, as they consider it lowly remunerated with limited chances of promotion when compared to other occupations. Furthermore, respondents claim that locals do not like the troubles one face when studying science subjects like Mathematics, Physics, Chemistry, etc.

Zimbabwean Qualifications and Experience

Most respondents indicated that the loss to Botswana will stem from the fact that Zimbabweans who are currently working as teachers or health professionals in various health discipline in Botswana are qualified, with those in teaching having a minimum of Diploma in education while those in medical field having nursing diplomas and/or degrees (see Figure 3). Out of a total of 64 respondents from the education sector, 26 (or 41 percent), and 15 (or 33 percent) of the 46 responses from the health personnel alluded to the fact that Zimbabweans working in Botswana are highly qualified, and their exodus to their home country may have negative impact if not properly planned from the Botswana side. Furthermore, besides being qualified, Zimbabweans are also experienced in their professions. Indeed, most Zimbabweans who migrated in search of job opportunities in Botswana have already worked in Zimbabwe before they started working in Botswana.

Zimbabwean Work Ethic

The respondents also mentioned that Zimbabweans were normally favored when compared to other foreigners working in Botswana because they

work hard. Most interviewees alluded to the fact that they, in most cases, work beyond their hours of duty (and in some days, even during holidays, etc.). Whilst working extra time is compensated, most of their colleagues or peers, including Batswana do not like working extra time or beyond their daily hours of duty. Surveyed results in Figure 11 shows that 26 (or 30 percent), and 12 (or 22 percent of respondents from interviewed teachers and health personnel, respectively, stated that Zimbabweans work very hard.

Problems Encountered by Zimbabweans in Botswana

This section provides some of the responses that interviewees were asked with regards to problems encountered by Zimbabwean living in Botswana. Specifically, the respondents were asked as to whether they did encountered any problems when dealing or interacting with four categories of Batswana groups namely the police, immigration officials, fellow Batswana workers and Botswana citizens in general.

Perpetrators of ‘Problems’ Encountered by Zimbabweans

This section presents the various groups of Batswana who, according to the interviewed Zimbabwean teachers and health professionals, are the main perpetrators of the problems that the interviewees encountered whilst in Botswana. From a total of 97 responses from interviewed teachers,¹⁵ 32 responses (33 percent), and 22 of the 58 responses (or 38 percent) from health personnel indicated that they did not encounter any problem when relating to the four groups of Botswana people listed above. However, the majority of the responses indicated that Zimbabweans working in Botswana encountered some problems when relating to Batswana government officials, workmates or local citizens in general (Figure 11).

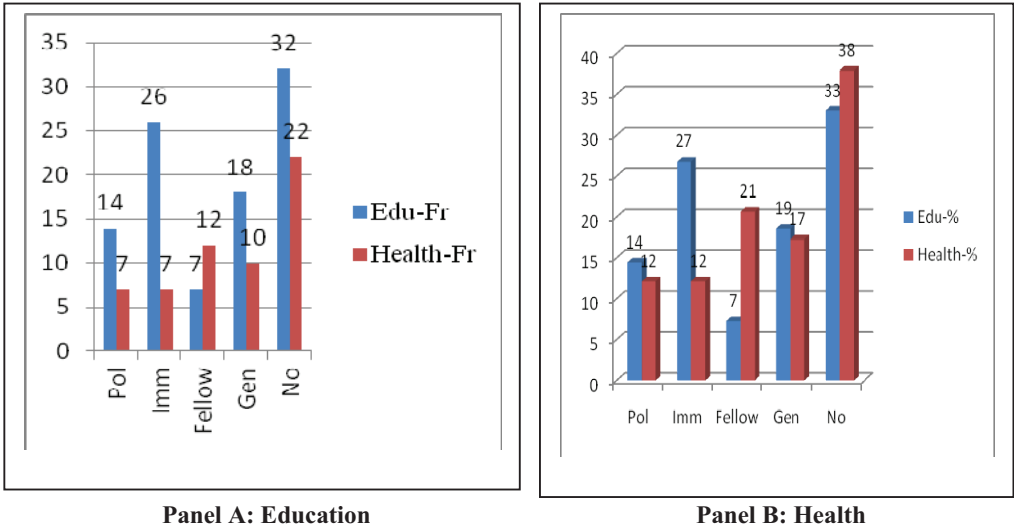


Figure 11: Batswana Groups Harassing Zimbabweans

Key: *Edu-Fr* = Education Frequency; *Health-Fr* = Health Frequency; *Edu-percent* = Education percentage; and *Health-percent* = Health percentage

Problems with Botswana Police

A total of 14 out of 97 (14 percent) responses from teachers indicated that they encounter problems when they deal with the local police. In the case of interviewed health personnel, 7 out of the 58 (12 percent) responses allude to the same problem.

Problems with Immigration Officials

Botswana immigration officials have also been cited as making life difficult when dealing with Zimbabweans who visit their offices to renew or apply for various permits. A total of 27 percent (or 26 out of 97) of the responses from interviewed teachers and 7 out of 58 (12 percent) of the responses from health professionals singled out immigration officials as harassing them.

Problems with Local Co-workers

A sizeable number of responses from both the two sectors under study allude to the fact that Batswana co-workers sometimes mistrust them as they consider them to be potential rivals ‘stealing’ their jobs. Findings from interviewed Zimbabwean health professionals show that 12 out of 58 (or 21 percent) responses claim that their local co-workers discriminate against them. The proportion of responses which indicated the problem of local

peers was relatively small in the case of teachers, as only 7 out of 97 (or 7 percent) responses mentioned local co-workers as a problem.

Mistrust and Harassment by Locals

Lastly, those interviewed mentioned that the general local citizens sometimes view them negatively. Some interviewed people claimed that they are sometimes viewed as thieves among other things, while they are also generally considered as ‘stealing jobs’ belonging to Batswana. Furthermore, Zimbabweans interviewed said the locals expect them to speak their local language (Setswana). Out of the 97 responses from interviewed Zimbabwean teachers, 32 (or 33 percent), and 22 (or 38 percent) of the 58 responses from those working in the health sector listed mistrust and harassment from Batswana as one of the problems they face in Botswana.

Kinds of Problems Encountered

Figure 13 indicates the various types of problems that Zimbabwean teachers and health workers encounter in Botswana

Discrimination

The major problem encountered and mentioned by interviewees from both the two sectors under study was discrimination in its various forms, including abusive words (names) like ‘*foreigner*’, ‘*alien*’, ‘*makwere-kwere*’, ‘*karushu*’, ‘*job vendor* or ‘*stealer*’, ‘*spreaders of diseases*’ and ‘*perpetrators of crime*’ to ‘*homeless*’. Nearly three-quarters or 74 percent (14 out of 19) of the responses from those working in the health sector, and 43 percent (or 16 out of 37) responses from teachers mentioned discrimination as a major problem that they encountered in Botswana. Some claimed that the discrimination can even go further when it comes to promotions, where less qualified people may be promoted simply because they are locals.

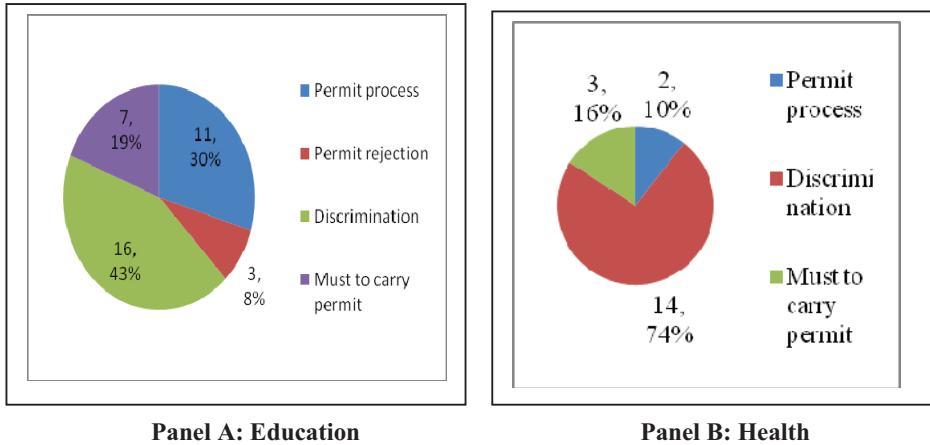


Figure 12: Types of 'Problems' Encountered by Zimbabweans

Long Permit Application Process

The main problems that the interviewees encountered when dealing with Botswana immigration officials include the fact that they serve them slow, the outcome of their applications are continuously postponed (and they are told only when they make a physical visit to the immigration offices), and sometimes they are asked for bribes to get things done quickly. For instance, some said after submission of permit renewal (application), it can take even six or more months to get the outcome of their application. From a total of 37 responses from teachers, 11 (or 30 percent) said the permit process was discouraging and very long, while 2 out of 19 (or 10 percent) of responses from health professionals mentioned the same problem.

A Must Carry Passport and Permit

In both education and health sectors, the interviewees said that the local police expect them to always carry their passports and their respective work permits. They claimed that in the event that they were asked by police and failed to produce such documents, they may be arrested, or verbally warned if they paid a bribe to the police officer in question. The results from the interviewed sample indicates that 7 out of the 37 (or 19 percent) responses from teachers and 3 out of 19 (or 16 percent) from those working in health sector mentioned this as a big problem. In fact, they claimed that they were supposed to carry these documents, even when they are talking casual walk around the streets or when they are just visiting nearby shops. The majority of the interviewed said that they are in constant fear of not losing their documents because the process that one undergoes to get replacements for such documents was not only laborious, but also costly as they will have to go back to Harare (Zimbabwe) to get a passport, and come back and go to Botswana immigration office to get a copy of the lost permit! As such, most people prefer to not always carry these documents when moving around or within Gaborone/Botswana and risk apprehension.

Permit Rejection

Over and above the long process it takes to get the results of the permit application, permit rejection was also a cause for concern amongst the teachers interviewed. A total of 3 out of 37 (8 percent) of responses indicated permit rejection as a major problem. They claimed that the rejection rate has increased, especially in the last two years, as most Zimbabwean teachers' permits are not renewed once they expire.

Labor-Related Issues

The respondents were also asked on whether or not they faced challenges on labor related issues, including salary discrimination, employment instability and occupational segregation. The results of the responses to this question are presented in Table 5. Some indicated that they encountered labor related problems while others did not.

Employment Instability

A larger proportion of responses from teachers raised the issue of insecurity with regards to assurance for their continued employment in Botswana. A total of 28 out of 52 (or 54 percent) responses from Zimbabwean educationists teaching in Botswana who were surveyed said that with increases in the number of permit renewal rejections (as pointed earlier), they are now more insecure as to whether their employment in their current jobs will continue once their current permits have expired. Whilst they are very sure that their respective schools will still want them on the job, the immigration authorities have doomed their prospects of continued employment in the country. A sizeable number of responses from health professionals, 11 out of a total of 30 (representing 37 percent), also pointed the issue of insecurity when it came to their future continued employment in Botswana.

Table 5: Labor-related problems

Problems due to	Education						Health					
	Salary			Employment			Salary			Employment		
	Discrimination			Instability			discrimination			instability		
	No	%		No	%		No	%		No	%	
YES	26	45		28	54		5	42		15	37	
NO	32	55		24	46		28	58		19	63	
Total	58	100		52	100		33	100		30	100	

Occupational Segregation

Zimbabwean professionals working in Botswana in education and health sectors indicated that they sometimes suffer occupational segregation, whereby they are treated as second class citizens by virtue of them being foreigners. Out of a total of 48 responses, 20 responses (or 42 percent) from teachers said occupational segregation was a cause for concern, while 10 of the 38 (or 26 percent) responses from those working in health sector expressed the same concern.

Salary Discrimination

Although a small proportion of respondents from the interviewed medical professionals indicated salary discrimination as a problem, a sizeable number of responses from interviewed teachers accounting for about 45 percent raised this issue as a problem. Those who raised this issue as a concern indicated that the discrimination is mostly based on the fact that they are foreigners and have limited legal recourse. For instance, most of them said that sometimes their salaries are paid well after the normal monthly pay days, and they face a dilemma on whether or not to ask for a timely payment of their salaries, as they may be victimized, and possibly lose their jobs. This is not the case with locals as they are normally paid on their expected pay days. Most employers, especially private schools and health facilities, are very much aware of the Botswana labor laws which fully support locals, and as such, they fear to be dragged to courts and possible lose their operating licenses should they be proved to have mistreated Batswana.

Problems Related to Accessing Social Amenities

Respondents from both education and health sectors were asked the extent to which they encountered any problem when accessing such things as social amenities, mostly health and education in Botswana. The majority of teachers, 52 out of the 61 (or about 85 percent) who responded to the question said they do not encounter any problem. On the other hand, 37 out of 44 (or about 84 percent) health professionals who answered this question also said they do not encounter any problem. Few respondents from both teachers and health personnel indicated that they sometimes face challenges in accessing these amenities. Overall, the findings clearly indicate that Zimbabweans working in Botswana have access to both health and education facilities without any serious problems.

And with regards to those who indicated that they encountered problems in accessing health and education services in Botswana, Table 6 below shows some of the actual problems which they said they encountered. First, some respondents claimed that they pay more than local citizens, especially when they visit some government health facilities for treatment. Secondly, some interviewees said they face discrimination when they visit some government health facilities, where treatment preference is sometimes

given to locals. Lastly, some respondents further claimed that when they visit some government health facilities, they are sometimes not given drugs, as the drugs will be reserved for locals. They will instead be asked to go and get the same drugs from pharmacies, which will be selling them at relatively higher prices when compared to government health facilities.

Table 6: Actual problems encountered in accessing social amenities

Problems	Education	Health
Paying more than citizens for same services	5	1
Discrimination at hospitals	4	3
Drugs available to locals only	1	2

Taxation of Salary

Respondents were also asked whether their salaries were taxed or not. The findings for this question are presented in Table 7. All the health professionals interviewed indicated that their salaries were fully taxed. On the other hand, 60 out of 63 (or 95 percent) of people who respond to this question from the teaching sector said their salaries were taxed. These taxes constitute some of the direct contribution of Zimbabweans working in Botswana in augmenting government revenue.

Table 7: Taxation of respondents

Response	Education		Health	
	Frequency	Percent	Frequency	Percent
YES	60	95	43	100
NO	3	5	-	-
Total	63	100	43	100

Policy Recommendations

This section provides some of the recommendations which were suggested by the interviewed Zimbabwean education and health professionals working in Gaborone, Botswana. A number of recommendations were suggested by both teachers and health professionals. The recommendations were categorized into those directed to Government of Botswana, Botswana schools (in case of recommendations from teachers) and health facilities, and the Government of Zimbabwe.

Recommendation Directed to the Government of Botswana

The various recommendations from both teachers and health professionals to the government of Botswana and also to school and/or health facilities management are shown in Table 8.

i. Need to conduct more training of locals

The interviewees recommended that the Government of Botswana put more resources towards training of locals, both as teachers and also in various health disciplines. In the health sector, the government is recommended to open medical schools for training of doctors and nurses or midwife. The interviewees, however, commended the direction which the Government of Botswana has taken of late to start building its first ever medical school which will soon open its doors to train medical doctors.

Table 8: Recommended actions

Panel A: From teachers to...

Government of Botswana		Frequency
1	More resources for teacher training needed	19
2	Quick on issuing /renewing of permits	15
3	Increase permit years to at least 5yrs	4
4	Gradual termination of contracts/allow mentorship/retain expatriates	10
Schools Management		
1	Improve working conditions	12
2	Salaries, holidays, weekends, housing, mgt	32
3	Provide fair treatment	5
4	Gradually employ locals and let them have mentorship from Zimbabweans	6

Panel B: From health professionals to...

Government of Botswana		Frequency
1	Train more health professional	20
2	Increase salary, improve working conditions	4
3	Cultivate spirit of hard work	4
Health Facilities Management		
1	Improve working conditions	4
2	Continuously improve salaries	10
3	Support training of health	1
4	Gradually employ locals and let them have mentorship from Zimbabweans	3
5	Empower locals by employing them in higher positions	1

ii. ***Work permits***

Respondents raised concerns over the long time taken in processing work permit. To this end, the Government of Botswana is recommended to speed up the processing of work permits and to extend work permits tenure to at least five years from the current three years or less.

iii. ***Encouraging on-job training by foreign experts***

In as much as the Government of Botswana desires to replace expatriates with locals, it is recommended that it adopt systematic, strategic and gradual processes that allow skills and knowledge transfer in their respective occupation.

iv. ***Cultivate spirit of tolerance***

The Government of Botswana is recommended to cultivate a spirit and culture of tolerance towards foreigners by Botswana by crafting policies and practices that deliberately discourage xenophobic tendencies.

Recommendations Directed to Botswana Private Institutions

i. ***Improve working conditions***

Management in both education and health private institutions are recommended to improve working conditions for workers, enhance their remuneration packages, and make sure they continuously do so in line with inflationary trends, among other factors.

ii. ***Gradual employment of locals in senior positions***

Private schools and health facilities are strongly recommended to implement systems of mentoring of locals by foreign experts, and then gradually recruit those mentored in positions of authority.

Recommendations Directed to Government of Zimbabwe

In an effort to get policy suggestions from those who left Zimbabwe to go back to their country, the following are some of the recommendation which the interviewees suggested for the Government of Zimbabwe to consider:

- i. Improve the remuneration and salaries for professionals in education and health sectors to the extent possible. Most interviewees want the Government to peg salaries that favorably compare with similar professions regionally, for instance, South Africa and Botswana;
- ii. Exert efforts in improving the general working conditions of professionals, such as educationists and health practitioners. Most respondents argued that there is currently lack of political will to implement this and they strongly believe that it can be done, given

- that these two sectors used to be some of the better sectors to work in, especially in the first two decades after independence;
- iii. Ensure a stable economic environment. Whilst most respondents did not recommend Government interference, such as price controls, they were very clear that the Government (through the Central Bank) can at least maintain single digit inflation by not printing money (once the local currency, Zimbabwean Dollar, returns in circulation);
 - iv. Ensure a peaceful political environment before, during and after 2013 elections. Most respondents argued that this factor is endogenous (determined within any political party) as opposed to exogenous (determined outside the political party), as the political parties can control their supporters and influence them to shun any form of political violence;
 - v. Implement measures to ensure provision of incentives to civil servants, especially teachers and health professions. Such schemes include government guaranteed loans for purchases of immovable assets;
 - vi. Investigate the extent to which the Zimbabwe migrants are skilled or un-skilled (thus inferring as to whether there was brain drain (from Zimbabwe's side) and/or brain gain (in Botswana's side); Explore the positive economic benefits of Zimbabwean migrant skilled workers in Botswana;
 - vii. Analyze the extent to which these migrants have been subjected to unfair labor practices; and
 - viii. Come up with policies that Zimbabwe can consider to attract skilled professionals who emigrated and to ensure minimal brain hemorrhage in its education and health institutions.

Notes

1. The four schools were Hillcrest International, Gaborone International School, West Wood School and Thorn hill school. The two private hospitals are Gaborone Private Hospital (GPH) and Bokamoso Private Hospital (BPH). These schools and health institutions are mentioned in this footnote for OSSREA and reviewer purposes ONLY and this footnote will be removed when it come to publication so as to protect the names of these institutions, and the Zimbabweans working in these institutions.
2. Given that the leader researcher was working in Gaborone, Botswana, he conducted the interviews in cooperation with individuals working in the four schools and two hospitals. Furthermore, the principal researcher also facilitated the focus group discussions.
3. The total is more than the number of interviewed teachers given that some teachers with degrees had also started with teaching certificates, then diplomas and finally

went for degrees. Thus in the questionnaires, such teachers were listing all their qualifications.

4. Botswana's secondary education systems start from Form 1 and end in Form 5, and thereafter a person can proceed to college or University
5. The frequency total is more than the actual total of people interviewed in each category since the interviewees were allowed to have more than one response
6. The Zimbabwean Newspaper (March 4, 2009). "Zimbabwe Education in Desperate Circumstances". Available at: http://www.thezimbabwean.co.uk/index.php?option=com_content&task=view&id=19336&Itemid=103.
7. The Zimbabwean Newspaper (23 April 2009). "Government Re-takes Teachers". Available at: http://www.thezimbabwean.co.uk/index.php?option=com_content&task=view&id=20717&Itemid=103.
8. Responses are non-exclusive in that a respondent could choose more than one reason.
9. Very few men indicated that they came to Botswana to follow their spouses. In the Zimbabwean culture, it is the husband who normally takes the risk of adventuring to unknown destination in the search of survival and the wife will only follow once the husband has settled!! Thus in the case where men followed to join their spouse, it is the case when the wife was relocated to Botswana by her company or where she was offered the job whilst she was still working in Zimbabwe
10. The Zimbabwean Newspaper (21 May 2009), "Breakdown hampers HIV fight". Available at: <http://www.thezimbabwean.co.uk/2009052121304/health/breakdown-hampers-hiv-fight.html>. The three medical facilities are the biggest referral government hospitals in Zimbabwe.
11. The frequency total in Table 4 is more than the actual total of people interviewed in each category since the interviewee was allowed to have more than one response.
12. The frequency total is more than the actual total of people interviewed in each category since the interviewee was allowed to have more than one response
13. Responses are non-exclusive in that a respondent could choose more than one reason
14. This situation of Botswana being training outside the country especially to become medical doctors is likely to become a thing of the past as the country is nearly completing its state of the art medical school training facility within the University of Botswana campus.
15. The frequency total is more than the actual total of people interviewed in each category since the interviewee was allowed to have more than one response.

References

- Bauer, T and K, Zimmermann. 1998. Causes of international migration: A survey. *In* Gorter, P., P. Nijkamp and J. Poot (Eds.), *Crossing borders: Regional and urban perspectives on international migration*, 95–12, Aldershot: Ashgate.
- Borjas, G. 1989. Economic theory and international migration. *International Migration Review*, 23:457–485.
- Crush, J. and D. Tevera. 2003. The new brain drain from Zimbabwe. Southern African Migration Project (SAMP).
- Crush, J. and G. Tawodzera. 2011. Medical xenophobia: Zimbabwean access to health services in South Africa. The Southern African Migration Programme (SAMP) Migration policy series no. 54.
- De Haas, H. 2010. *Migration transitions: A theoretical and empirical inquiry into the developmental drivers of international migration*. International Migration Institute, James Martin 21st Century School, University of Oxford.
- Harris, J. and M. Todaro. 1970. Migration, unemployment and development: A two-sector analysis. *American Economic Review*, 60:126–142.
- Kiwanuka, M. and T. Monson. 2009. Zimbabwean migration into Southern Africa: New trends and responses. Forced Migration Studies Programme, Wits University.
- International Organization for Migration (IOM). 2009. Migration in Zimbabwe: A country profile 2009, Prepared by Lazarus Zanamwe and Alexandre Devillard. Harare, Zimbabwe.
- Makina, D. 2007. Profile of migrant Zimbabweans in South Africa: A pilot study.
- Muzondidya, J. 2008. Majoni-joni: Survival strategies among Zimbabwean migrants in South Africa. International Conference on the Political Economies of Displacement in Zimbabwe, Wits University, 9–11 June.
- Puentes, R., A. Canales., H. Rodriguez., R. Delgado-Wise and S. Castels. 2010. Towards an assessment of migration development and human rights links: Conceptual framework and new strategic indicators. International Network on Migration and Development.
- Ratha, D. and W. Shaw. 2007. South-South migration and remittances. *World Bank Working Paper* no. 102.
- Ravenstein, E. 1885. The laws of migration. *Journal of the Royal Statistical Society*, 48: 167–227.
- Ravenstein, E. 1889. The laws of migration. *Journal of the Royal Statistical Society*, 52: 214–301.

- Reeler T. 2009. Subliminal terror? Human rights violations and torture in Zimbabwe during 2008. Report prepared for the Centre for the Study of Violence and Reconciliation (CSV).
- Sjaastad, A. 1962. The costs and returns of human migration. *Journal of Political Economy*, 70: 80–93.
- Tevera, D. and J. Crush. 2003 The new brain drain from Zimbabwe. *Migration Policy Series* no. 29, SAMP.
- Todaro, M. 1969. A model of labor migration and urban unemployment in less-developed countries. *American Economic Review*, 59:138–148.
- Todaro, M. and L. Maruszko. 1987. Illegal migration and US immigration reform: A conceptual framework. *Population and Development Review*, 13:101–114.
- United Nations' Office for Coordination of Humanitarian Affairs (OCHA). 2009. A report, as quoted in: The Zimbabwean Newspaper (29 January 2009), "Zim unemployment skyrockets", available at: http://www.thezimbabwean.co.uk/index.php?option=com_content&task=view&id=18101&Itemid=103
- United Nations. 2009. *International Migration Report 2009: A Global Assessment*. Department of Economic and Social Affairs Population Division, United Nations.
- Zanamwe, L and Devillard, A. 2009. Migration in Zimbabwe: A country profile. A study commissioned by The Acting Director General, Zimbabwe National Statistics Agency (ZIMSTAT) and International Organization for Migration with financial support from the European Union.

CHAPTER THREE

Nature and Impact of International Migration in Sub-Saharan Africa: A Case of Ugandans Moving to South Sudan and Arab Gulf States

Rogers Twesigye

Introduction

Emigration statistics for Uganda are hard to come by. Despite this, it can be recognized that thousands of Ugandans are constantly migrating out of Uganda for several reasons. Numerous Ugandans move beyond borders into neighboring countries and overseas for several reasons, including seeking better economic opportunities, marriage and asylum (Kadduli 2008; Mulumba and Olema 2009). Migration from Uganda is relatively smaller compared to other neighboring countries, perhaps because of its landlocked position, and slightly more males than females migrate out of the country (Rutaremwa 2011). There is, however, little data on these processes, as most of the movements are not recorded and many times the migrants pass through the paths of the porous national borders, where such movements are hardly taken note of let alone be registered. Needless to say, South to South migration processes have received minimal scholarly attention.

While migration of Ugandans had been mainly to Europe and the Americas, recent years have seen more and more Ugandans moving to the Middle East, especially the Arab Gulf States, for economic reasons, many to work as guards, cleaners, waitresses, and so on, while others are involved in trade. According to the Senior Labor Officer in the Ministry of Labor (MoL), there were 7,520 Ugandans working in the Middle-East, as of June 30, 2008. Many Ugandans have also migrated to neighboring Republic of South Sudan, mainly after 2007, because of the economic opportunities in the newly-independent Republic.

Uganda is among the top six sub Saharan African countries which receive a large volume of workers' remittances proportionate to GDP. The Bank of Uganda (BOU) estimates indicate that remittances averaged USD325.1 million between 1998 and 2008 and have been increasing at an average 13.5 percent annually. In 2008, workers' remittances to Uganda were estimated at USD489 million, while for 2011 it was estimated at USD773 million (World Bank 2011). This increase was mainly attributed to the growing number of Ugandans working abroad, the loosening of the foreign exchange regulatory regime, and the adoption of new remittance technologies that helped to reduce transfer costs and increase competition in the market.

Nevertheless, data collection for remittance flows is not well developed and data on migrant remittances is not collected regularly (Ngugi and Sennoga 2011). Further, little is known of the size of the emigrant population or about the extent of the economic activities migrants have with Uganda. While the positive contribution of Ugandan migrants to the Ugandan economy is well recognized, there has been increasing concern about the treatment of migrant workers abroad. However, this has been only documented or brought to light in media reports. This study goes beyond the media reports and makes effort to contribute to filling knowledge gap related to not only economic implications of migration but also to political and social implications by focusing on Ugandans moving abroad to work in Arab Gulf States and neighboring countries like South Sudan.

The study is, therefore, significant in that it examines the largely unexamined South-South migration of Ugandans, taking South Sudan and Arab Gulf States (with focus on Iraq and United Arab Emirates) as cases to assess the economic impacts of migration of Ugandans and identify human rights challenges Ugandan migrants face. Furthermore, the study seeks to add to the body of knowledge on the impact migrant remittances have on Uganda in particular and African countries in general. But unlike many previous studies, the study takes on a micro-level impact as opposed to only macro level impact of remittances. It is hoped that the study will inform policy-making on migration and development.

The questions the study seeks to answer the following questions: What are the socio-demographic characteristics of Ugandan migrants to South Sudan and Arab Gulf States? What are the individual and house hold socio-economic impact of Ugandans moving to South Sudan and Arab Gulf States? What are the challenges Ugandans experience in South Sudan and Arab Gulf States? What is the impact of such transfer/remittances on Uganda's national development? And what are the successes and challenges in Government responses to the movement of Ugandans to South Sudan and Arab Gulf States?

Explaining International Migration in the Contemporary World

In the past decade, there has been a remarkable renaissance in the interest in migration and development. This interest was undoubtedly triggered by a striking increase in remittance flows and their potential for economic development. Remittances sent back to developing countries rose from USD31.1 billion in 1990 to USD76.8 billion in 2000 to no less than USD167.0 billion in 2005. By 2006, registered remittances amounted well over twice the amount of official development assistance and were 10 times higher than net private capital transfers to developing countries (De Haas 2007). Although few scholars would deny the direct contribution of migration and remittances to the livelihoods and survival of families left behind, the extent to which migration and remittances can bring about sustained human development and economic growth in migrant-sending

areas and countries is quite a different question. This issue has been the subject of heated debate over the past four decades.

The Migration Optimists: Developmentalist and Neoclassical Views

Developmentalist “migration optimists” tend to think that migration leads to a North-South transfer of investment capital and accelerates the exposure of traditional communities to liberal, rational and democratic ideas, modern knowledge and education. From this perspective, (return) migrants are perceived as important agents of change, innovators and investors. The general expectation is that the flow of remittances—as well as the experience, skills and knowledge that migrants acquire abroad before returning—should greatly help developing countries in their economic take-off (Penninx 1982; Beijer 1970; Kindleberger 1965). Return migrants are expected to invest large sums of money in enterprises in the country of origin.

Neoclassical migration theory also tends to see migration in a positive light; however, it has no place for remittances (Taylor 1999, 65). Rather, it perceives migration as a process that contributes to the optimal allocation of production factors for the benefit of all, in which the process of factor price equalization will lead to migration ceasing once wage levels are equal at both the origin and destination. From this perspective, the re-allocation of labor from rural, agricultural areas (within and across national boundaries) to urban, industrial sectors is considered as an essential prerequisite for economic growth and, hence, as an integral component of the whole development process (Todaro 1969, 139). The free movement of labor—in an unconstrained market environment—is eventually expected to lead to the increasing scarcity of labor, which will then lead to a higher marginal productivity of labor and increasing wage levels in migrant-sending societies. Capital flows are expected to go in exactly the opposite direction as labor migration.

The Migration Pessimists: Historical-Structural and Dependency Views

A number of academic studies seemed to support the hypothesis that migration sustains or even reinforces problems of underdevelopment instead of the reverse (Almeida, 1973; Lipton 1980; Reichert 1981; Rhoades 1979; Rubenstein 1992; Binford 2003). These “migration pessimists” have argued that migration provokes the withdrawal of human capital and the breakdown of traditional, stable village communities and their economies. This would then lead to the development of passive, non-productive and remittance-dependent communities. Besides the “brain drain” (Adams 1969), a “brawn drain” (Penninx 1982)—the massive departure of young, able-bodied men and women from rural areas (Lewis, 1986)—is typically blamed for causing a critical shortage of agricultural and other labor, depriving areas of their most valuable work force (Rubenstein, 1992; Lipton 1980). Because it is generally not the poorest

that do migrate the most, remittances sent were believed to increase inequality in communities of origin (Lipton 1980).

Migration pessimists also argue that remittances are mainly spent on conspicuous consumption and “consumptive” investments (such as houses), and rarely invested in productive enterprises (Lipton, 1980). Besides weakening local economies and increasing dependency, increased consumption and land purchases by migrants are also reported to provoke inflationary pressures (Russell 1992) and soaring land prices (Appleyard 1989; Rubenstein 1992). Moreover, the main “positive” effect of migration, the increase in family welfare for migrants and their families is considered to be artificial and dangerous, because remittances are supposed to be an unstable and temporary source of revenue. From this perspective, South-North migration is perceived as discouraging instead of encouraging the autonomous economic growth of migrant-sending countries (Durand et al. 1996).

Pluralist Perspectives: New Economics of Labor Migration and Livelihood Approaches

In the 1980s and 1990s, the new economics of labor migration (NELM) emerged mainly as a response to developmentalist and neoclassical theories (the migration optimists) and historical structural theories (migration pessimists). NELM offered an alternative approach to examine migration and development by placing the behavior of individual migrants within a wider societal context and considering the household—rather than the individual—as the most appropriate decision-making unit (Stark 1978, 1991; Taylor 1999). This approach models migration as the risk-sharing behavior of households, and integrates motives other than individual income maximization in migration decision making. Migration is perceived as a household response to income risks since migrant remittances serve as income insurance for households of origin (Lucas and Stark 1985).

NELM scholars argue that migration also plays a vital role in providing a potential source of investment capital, which is especially important in the context of the imperfect credit (capital) and risk (insurance) markets that prevail in most developing countries (Stark and Levhari 1982; Taylor et al, 1996). Hence, migration can be considered as a livelihood strategy to overcome various market constraints, potentially enabling households to invest in productive activities and improve their livelihoods. The fundamental question is, therefore, not whether migration has either positive or negative developmental impacts, but why migration has contributed to development in some communities and much less, or even negatively, in others (Ghosh 1992; Taylor 1999), and what factors explain this differentiation.

The current study adds to this body of knowledge particularly in a developing country like Uganda in the sub Saharan region, where the impact of migration to countries in the South is lacking. Also, the study

investigates human rights of migrants in a destination country, something which has been neglected in migration studies.

This study borrows the conceptual frame work (please see below) and strategic indicators of the International Network on Migration and Development (Rueben *et al.* 2010), embedded in the pluralist perspectives of the new economics of labor migration and livelihood approaches. The conceptual framework identifies four analytical dimensions: (1) causes of migration, (2) impacts of migration on sending countries, (3) impacts of migration on receiving countries, and (4) impacts of migrations on migrants and their families (see Figure 1). The current study however left out indicator 3 – on impact of migration on receiving country, the focus was on the sending countries.

Causes of Migration: This dimension of the assessment looks at two main categories: economic asymmetries and social inequalities. Migration is fueled by deep economic asymmetries between sending and receiving countries such as relative economic productivity between sending and receiving countries, differences in economic growth, wage differentials, labor precariousness in sending and receiving countries, deficit or surplus in labor force, and gaps in research and development investments. Migration is also triggered by social variables both in the sending and receiving countries.

Impacts on Sending Countries: The dominant discourse prioritizes the development potential of remittances (Ratha 2007); a more comprehensive view include both their positive and negative impacts, as well as other factors that may be equally relevant for the societies of origin: demographic, social, cultural, behavioral and political impacts, as well as the effects of return migration.

Impacts on Migrants and Their Families: Although there is no doubt about the profound impacts of migration on the life and livelihoods of migrants and their families, these are often neglected in the current debate, and when they become part of it, migrants are often portrayed as winners (better jobs, better salaries, etc.). A more balanced appraisal of costs and benefits requires a broader set of indicators than those usually used, including some to assess the impacts on the migrants' families – those that reside in the country of destination as well as the relatives who have been left behind in the country of origin.

Below is diagrammatic presentation of the migration dimensions and concepts discussed above.

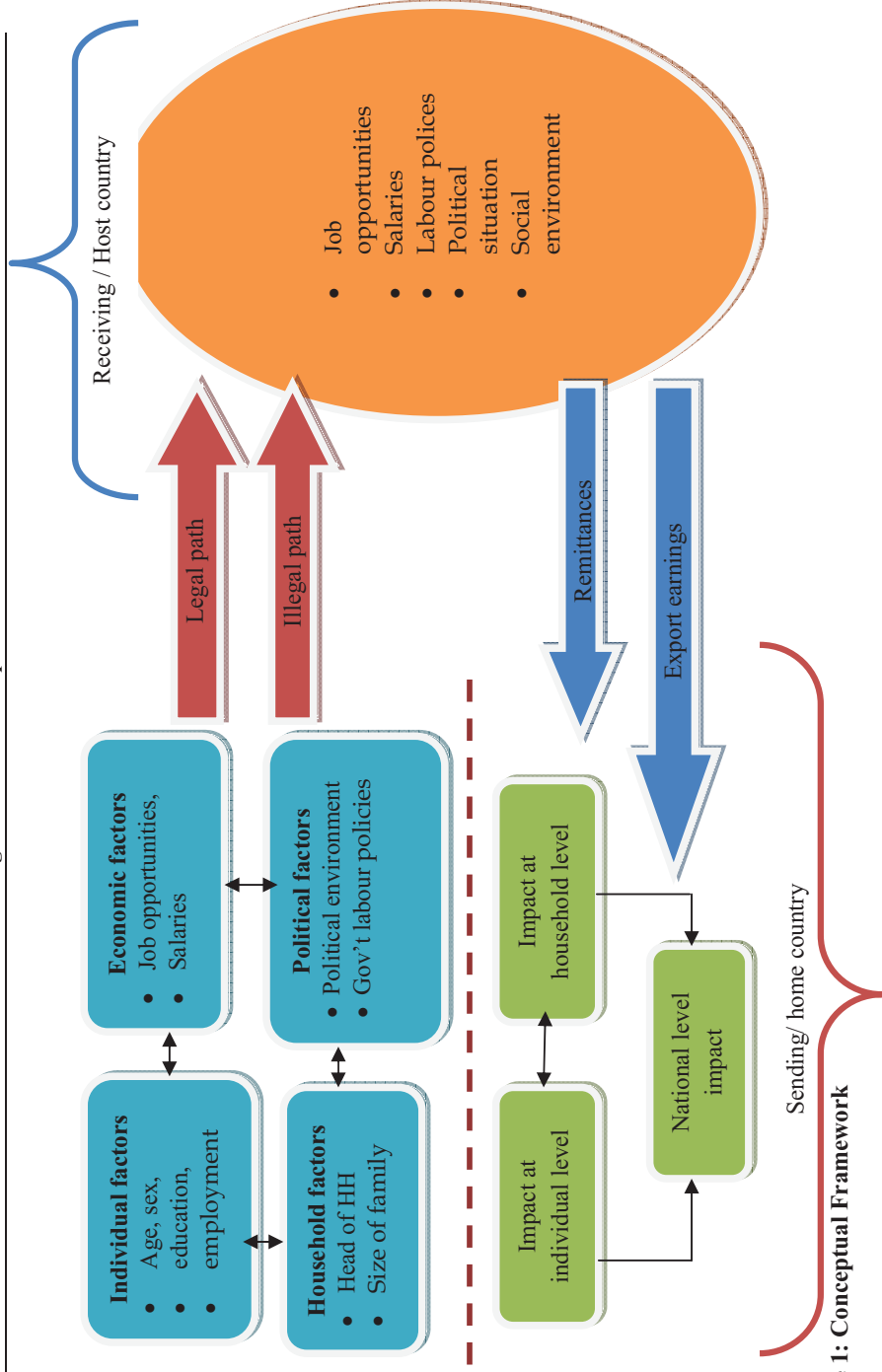


Figure 1: Conceptual Framework

Methodology

The study is both descriptive and explanatory in nature. To understand movement of Ugandans to neighboring countries, South Sudan is used as a case. On the other hand, to understand movement of Ugandans to Arab Gulf States, UAE and Iraq are used as cases. Both quantitative and qualitative methods of sampling, data collection and analysis are used because they enable us to capture both the quantitative aspects, such as trends and remittances, and the qualitative aspects, especially the social challenges and experiences.

Study Population, Sample Size and Sample Selection

The study population included Ugandans that live/work and lived/worked in South Sudan and the Arab Gulf States. Staff of relevant Government and civil society organization also entailed the study population. Over the years, there has been a growing Ugandan community in South Sudan, while many Ugandans have moved and continue to move to the Gulf countries, mainly UAE (Dubai and Abudabhi), Qatar (Doha), Saudi Arabia, Oman, Kuwait and Iraq. Many Ugandans were recruited over the years to work in Iraq; many still continue to stay there, while many others have returned. According to Uganda embassy in UAE, about 3,000 Ugandans live and work in the United Arab Emirates. Approximately 200 Ugandans are estimated to be leaving every month to work in this region through the agencies that find jobs overseas. According to South Sudan Minister of Information and Broadcasting, in 2011 there were over 150,000 traders from Uganda in South Sudan.

A representative sample of 383 of all the Ugandans living or working in South Sudan (about 150,000) was targeted, of which 192 sample size was achieved.* Similarly, a representative sample of 341 of all Ugandans living or working in of the Arab Gulf States (3000) was targeted, of which a sample size of 200 was achieved. For key informants, 11 relevant officials in Government and civil society from the Department of Diaspora-Ministry of Foreign Affairs, Ministry of Public Service, Bank of Uganda, recruiting agencies, etc. were purposely selected and interviewed. Accordingly, the following procedure were undertaken to select the sample:

* The formula used for calculating the sample size is:

$$ss = \frac{Z^2 * (p) * (1-p)}{c^2}$$

Where:

Z = Z value (e.g. 1.96 for 95% confidence level); p = percentage picking a choice, expressed as decimal (.5 used for sample size needed); c = confidence interval, expressed as decimal (e.g., .04 = ±4).

Ugandans in Arab Gulf States: A snowball technique was used to obtain the required sample of Ugandans in UAE that agreed to take part in the study. The researcher made a decision to focus on interviews coordinated by research assistants in Uganda and UAE.

Returnees from and Prospects to the Arab Gulf States: The first 100 returnees from the Arab Gulf States were interviewed for the study. Returnees were selected and sampled using the snowball method. Returnees that were identified helped the researcher and research assistants to identify and locate other returnees for participation in the study. The limitation however was that identified returnees had all worked in the same country, Iraq. Potential migrants to Arab Gulf States were randomly sampled and selected at the exits recruitment agencies.

Ugandans Working in South Sudan: Random sampling methods were used to select Ugandans currently working in South Sudan. These were contacted at loading (bus) station in Kampala to South Sudan, and at the border check points in Uganda districts neighboring South Sudan.

Returnees from South Sudan: Ugandans that have ever worked in South Sudan and returned to Uganda were selected and sampled using the snowball method. Returnees that were identified helped the researcher and research assistants to identify and locate other returnees for participation in the study.

Key Informants: key formants working with relevant Government and civil society organization were sampled and selected purposively based on knowledge and involvement in the issues under study.

Data Collection Methods

Semi-structured Interviews: This was administered to randomly selected Ugandans working or living in South Sudan and those in the Arab Gulf countries, including returnees.

Documentary Review: International, regional and national reports on migration were reviewed. Key reports were obtained from Bank of Uganda and World Bank Libraries. Because of the limited data on Ugandans in the Diaspora, media reports were also reviewed and monitored over the years.

In-depth Interviews: These were conducted with key informants from both Government and civil society agencies involved in migration related work.

Electronic Methods- Online social media networks, Email, Telephone: The researcher and his team contacted Ugandan migrants in the Gulf through online social media such as Facebook and Twitter. Participants were requested to share their experiences and also help to get into contact with other potential study participants. An Email address and other online avenues that ensure confidentiality and privacy were availed. Skype and Telephone was used to conduct voice or phone interviews with participant

who consented with this means of communication for sharing their experiences for the study.

Data Collection Instruments and Sources of Information

Semi-structured Questionnaire: The tool entailed questions to capture issues raised earlier, including demographic characteristics, push and pull factors, current life, human rights issues, remittances if any, challenges, comparison of life back in home country and current country of residence, future plans, etc. Each study group had a tool tailored to it.

Interview Guide: This tool was used to conduct face to face interviews with selected participants and in-depth interviews with key informants. This was un-structured with open-ended questions to capture demographic characteristics, personal experiences and policy issues.

While the above indicate the sources for the primary data used, many sources for the secondary data were consulted, including government, civil society organizations and media reports, social media and diaspora communications, and other research materials.

Data Processing and Analysis

All duly filled structured questionnaires were entered into the computer using EPI-INFO software. For open ended questions, a coding frame was developed to enable post-coding prior to data entry. Data entered using EPI-INFO was then exported to the Statistical Package for Social Scientist (SPSS) for analysis. Univariate tables were generated to provide a descriptive summary of the findings.

Qualitative data from in-depth interviews and documentary review was analyzed using thematic content analysis. Data/reports from library and internet searches was collected and organized in chronological order for review and analysis. Tape recorded data was transcribed to form texts for in-depth interviews. Analysis proceeded simultaneously with data collection by comparing data from one interview with that from another.

Study Findings

Case Study 1: Movement of Ugandans to South Sudan (SS)

For purposes of this study, Ugandans currently work in SS and those that worked and returned were the points of focus. Below is a description of the study participants.

According to World Bank estimate, there are one and a half million Ugandans living in the diaspora. However, there are unverified estimates of a million Ugandans in South Sudan. In late 2010, the then South Sudanese Minister of Internal Affairs noted that there was an estimated 1.2 million Ugandans in Juba, the capital of SS (*Sunrise* 2010a). The head of the Department of Diaspora in the Uganda Ministry of Foreign Affairs (MoFA) however disagreed noting that one million Ugandans in SS is a big number.

He acknowledged that the actual number cannot be known until a proper study is conducted, but currently everything remains guess work.

The 2010 statistics from the Ministry of Regional Cooperation indicated that over 1,500 Ugandans were employed in the construction industry of South Sudan, and over 1,200 Ugandan professionals were working in non-Governmental organizations, ministries and agencies. In 2011, the then South Sudan Minister of Information and Broadcasting informed that there were over 150,000 traders from Uganda in South Sudan (Womakuyu 2011).

Description of Study Participants- Ugandans Currently Working in South Sudan

A total of 104 Ugandans currently working in SS participated in the study. The majority (75 percent) of these were male and between the ages of 36-40 years. Similarly, a bigger proportion (67.3 percent) was married and had secondary education as the highest level of education. A significant proportion (86.5 percent) of the participants reported to be household heads (Table 1).

Table 1: Socio-demographic characteristics of Ugandans currently working in South Sudan

Variable		Ugandans in SS	
Sex		n=104	percent
	Male	78	75.0
	Female	26	25.0
Age			
	26-30	22	21.2
	31-35	16	15.4
	36-40	42	40.4
	41 years and above	24	23.1
Marital status			
	No spouse	34	32.7
	Married/cohabiting	70	67.3
Level of education			
	Primary	38	36.5
	O level	24	23.1
	A level	10	28.8
	Tertiary	2	1.9
	University	10	7.7
Head of HH		90	86.5

Description of Study Participants- Ugandan Returnees from South Sudan

A total of 88 Ugandans that had worked in SS and returned participated in the study. About 63.6 percent of these were male and between the ages of 36–40 years. About 59.1 percent were married and had lower secondary education as the highest level of education. Similar to Ugandans working in SS at the time of the study, most (75 percent) of the returnee participants were household heads (Table 2).

Table 2: Socio-demographic characteristics of Ugandan returnees from South Sudan

Variable		Returnees (88)	
Sex		n=88	percent
	Male	56	63.6
	Female	32	36.4
Age			
	20-25	8	9.5
	26-30	22	26.2
	31-35	10	11.9
	36-40	32	36.3
	41 years and above	16	19.0
Marital status			
	No spouse	36	40.9
	Married/cohabiting	52	59.1
Level of education			
	None	2	2.3
	Primary	22	25.0
	O level	44	50.0
	A level	6	6.8
	Tertiary	2	2.3
Head of HH	University	12	13.6
		66	75.0

Movement Trends to South Sudan over the Years

Among study participants working in SS at the time of the study, the majority first moved to SS between 2007 and 2009. A few moved between 2010 and 2012, and even fewer moved before 2007. Nearly all (92.3 percent) the participants reported to have moved with either a friend or relative into SS. In relation to movement back to Uganda, majority (82.7 percent) did return to Uganda either every 3 or 6 months, or every month. The majority (78.6 percent) reported visiting family as the reason for returning to Uganda, the rest returned for business purposes. A big percentage (88.5 percent) of those working in SS at the time of the study hoped to continue with their stay in SS (Table 3). The major reason for the

continued stay in SS was because their businesses were doing well and/or the better opportunities in SS than in Uganda.

Table 3: Trends in movement of Ugandans currently working in SS

Variable- Ugandans in SS		n=104	Percent
First entry to SS			
	2004-2006	10	9.6
	2007-2009	72	69.2
	2010-2012	22	21.2
Moved with a friend or relative		96	92.3
Visits Uganda		86	82.7
Frequency of visits to Uganda			
	Every 2 weeks	12	14.0
	Every month	18	20.9
	Every 3 months	22	25.6
	Every 6 months	26	30.2
	Once a year	8	9.3
Reason for visiting			
	Visit family	68	78.6
	Business	18	21.4
Hopes to continue working in SS		92	88.5

Among study participants that worked and returned from SS, a majority also first moved to SS between 2007 and 2009 (Table 4). Similar to those still working SS, a few moved between 2010 and 2012, and even fewer moved before 2007. More than half (60 percent) of the returnees had worked in SS for at least 3 years. Whereas few (31 percent) participants reported to have moved with either a friend or a relative into SS, many (88.1 percent) reported to have been helped to move by a friend or a relative. In relation to movement back to Uganda, a majority (84.1 percent) used to return to Uganda either once or twice every year. Unlike those working in SS at the time of the study, a majority of returnees (88.6 percent) reported business as the reason for returning to Uganda, the rest returned to visit family. A few (22.7 percent) returnees had plans to move back and work in SS (Table 4).

Table 4: Trends in movement of Ugandan returnees from SS

Variable - Returnees from SS	n=88	percent
First entry to SS		
2004-2006	16	18.2
2007-2009	48	54.5
2010-2012	24	27.3
Duration spent in SS		
1 year	16	18.1
2 years	18	20.5
3 years	18	20.5
4 years	14	15.9
5 and more years	22	25.0
Facilitating factors-Who helped you move		
Relative	20	22.7
Friend	58	65.9
Agency	6	6.8
No one	4	4.5
Moved with someone	28	31.8
Visited Uganda while working in AS	74	84.1
Frequency of visit back home		
Every month	8	10.8
Every 3 months	16	21.6
Every 6 months	24	32.4
Once a year	26	35.2
Reason for visiting home		
Visit family	10	11.4
Business	62	88.6
Have plans of moving back to SS	20	22.7

Pull and Push Factors to South Sudan

The main reason for leaving Uganda for SS among Ugandans working in SS at the time of the study was that they were not earning enough. This was reported by about half (51.9 percent) of the study participants in this group (Table 5). The other key reason for leaving was the lack of jobs in Uganda (26.9 percent). A majority (69.2 percent) noted that they chose SS because it had better opportunities, and the remaining said that they moved to SS and not any other neighboring country because they had friends there or it was easy to move to.

Table 5: Pull and push factors for Ugandans currently working in SS

Variable – Ugandans in SS		n=104	percent
Reason for leaving Uganda			
	Been unemployed	28	26.9
	Not earning enough	54	51.9
	Other	16	15.4
Why SS			
	Easy to move to	12	11.5
	Had friends there	16	15.4
	Better opportunities	72	69.2
	Didn't choose	4	3.8

Similar to Ugandans currently working in SS, the main reason for leaving Uganda for SS among Ugandan returnees from SS was that they were not earning enough. This was reported by a large proportion (70.5 percent) of the study participants in this group (Table 6). Being without a job in Uganda was the other reason for leaving (29.5 percent). Unlike Ugandans currently working in SS, over 70 percent of returnees from SS noted that they chose SS because it they had friends their or it was easy to move to. A few (22.7 percent) chose SS because it had better opportunities than any other neighboring country.

Table 6: Pull and push factors for Ugandan returnees from SS

Variable – Returnees from SS		n=88	percent
Reason for leaving Uganda			
	Been unemployed	26	29.5
	Not earning enough	62	70.5
Why SS			
	Easy to move to	30	34.1
	Have friends there	58	43.2
	Better opportunities	20	22.7

Socio-economic Gains of Migration of Ugandans to South Sudan

At the individual level, gains and losses were examined by ascertaining the migrants' means of livelihood in Uganda and how much they earned before their move to SS. Sources of income in SS and how much was also ascertained so as to be able to compare their status before migration. Among participating returnees from SS, current source of income in Uganda was further ascertained with the aim of assessing whether the move was worth it. To ascertain gains at household level, respondents were asked if they made any personal transfers back home, the frequency, amount,

recipients and beneficiaries, and finally on where the money transferred were spent on.

Individual Level

Among Ugandans working in SS at the time of the study, a majority (80 percent) were either self-employed (doing informal business) or not employed at all prior to their move to SS. A majority (60 percent) of them were earning between none and UGX 400,000 (USD160) on a monthly basis while in Uganda. Very few were salaried workers (5.8 percent) and earned more than UGX500,000 (USD200) per month (25 percent) while in Uganda (Table 7). Currently in SS, over 80 percent are involved in trade or transport business. Those in transport business include *bodaboda* riders, bus supervisors, conductors and long distance truck drivers. About 14 percent are employed as salaried workers in Government, non-Government or private agencies compared to the time of moving. In terms of earning income, half of the Ugandans currently in SS earn between UGX410,000 (USD164) and UGX800,000 (USD320) on a monthly basis. A significant proportion (33 percent) earns even higher between UGX810,000 (USD320) and UGX1,000,000 (USD400) and above on a monthly basis, way above before their move to SS (Table 7).

Table 7: Economic impact of migration to SS among Ugandans currently working in SS at individual level

Variable- Ugandans in SS	n=104	%	Variable	n=104	%
Source of income before moving			Monthly earning in UG		
None	22	21.2	Less than 100,000	25	24.0
Subsistence farming	2	1.9	110,000-200,000	15	14.4
Self employed	72	69.2	210,000-400,000	34	32.7
Salaried worker	6	5.8	410,000-600,000	14	13.5
			610,000-800,000	2	1.9
			810,000-990,000	6	5.8
			1,000,000 and above	8	7.7
Occupation in SS			Monthly earning in SS		
Trader	36	34.6	210,000-400,000	16	15.4
Transport Business	54	51.9	410,000-600,000	26	25.0
Salaried Worker	14	13.5	610,000-800,000	26	25.0
			810,000-990,000	16	15.4
			1,000,000 and above	18	17.3

Among Ugandan returnees from SS, over 60 percent were either self-employed doing informal business or not employed at all before they moved to SS. A significant proportion (29.5 percent) had been salaried workers in government or private agencies and a few were involved in

farming before moving to SS. Nearly half (48 percent) of the participating Ugandan returnees from SS were earning between UGX210,000 (USD84) and UGX400,000 (USD160) on a monthly basis while in Uganda. Over one quarter were earning either none or less than UGX100,000 (USD40) before moving to SS, and a few (20 percent) were earning UGX410,000 (USD164) and above (Table 8).

Having moved to SS, over 70 percent of the returnees from SS were employed as salaried workers and the rest were involved in trade. In terms of monthly earning income, over 60 percent received between UGX210,000 (USD84) and UGX600,000 (USD240). Nearly one quarter earned between UGX610,000 (USD244) and UGX990,000 (USD396) while another quarter earned UGX1,000,000 (USD200) and above, on a monthly basis (Table 8).

Table 8: Economic impact of migration to SS among Ugandans returnees from SS at individual level

Variable- Returnees from SS	n=88	%	Variable	n=88	%
source of income before moving			Monthly earning in UG before		
None	28	31.8	Less than 100,000	28	31.8
Farming	4	4.5	110,000-200,000	18	20.5
Self employed	30	34.2	210,000-400,000	24	27.3
Salaried worker	26	29.5	410,000-600,000	4	4.5
			610,000-800,000	4	4.5
			810,000-990,000	4	4.5
			1,000,000 and above	6	6.8
Occupation in SS			Monthly earning in SS		
Trader	26	29.5	210,000-400,000	28	31.8
Salaried worker	62	70.5	410,000-600,000	24	27.3
			610,000-800,000	10	11.4
			810,000-990,000	8	9.1
			1,000,000 and above	18	20.5
Current source of income in Uganda			Current Monthly earning in UG		
None	10	11.4	Less than 100,000	8	9.1
Self employed	52	59.1	210,000-400,000	10	11.4
Salaried worker	12	13.6	410,000-600,000	26	29.5
Transport business	14	15.9	610,000-800,000	14	15.9
			1,000,000 and above	30	34.1
			Feels stay in SS was worth it	68	77.3
			Encourages others to move to SS	60	68.2

At the time of the study, having moved back to Uganda from SS, a majority (59.1 percent) were self-employed with personal businesses. A bigger proportion (30 percent) was salaried workers and involved in transport

business. Notably however, over 10 percent of returnees from SS had no source of income. In terms of earning, half of the returnees from SS were earning between UGX610,000 (USD244) and UGX1,000,000 (USD400) and above on a monthly basis. A significant percentage was earning between UGX410,000 (USD164) and UGX600,000 (USD240) per month (Table 8). When asked if their stay in SS was worth it, majority (77.3 percent) answered positively. A majority (68.2 percent) of the returnees would encourage any other Ugandan to move to SS because it has better opportunities than Uganda (Table 8).

Household Level

Half of the study participants working in SS at the time of the study reported to be sending money back to Uganda (Table 9). A majority (78.9 percent) noted sending money every month. Most of the participants (42 percent) noted sending between UGX 210,000 (USD84) and UGX 400,000 (USD160) every sending, one quarter sends between UGX 110,000 (USD44) and UGX 200,000 (USD80) while another quarter noted sending between 410,000(USD164) and UGX 600,000 (USD240) every sending. Very few (5.3 percent) noted sending between UGX 610,000 (USD244) and UGX 800,000 (USD320) while none sends UGX 810,000 (USD324) and above.

All study participants working in SS at the time of the study that were sending money back home reported the recipient as a family member back in Uganda, and that there is more than one beneficiary for the money sent (Table 9). Over 60 percent reported that 4 or more people benefitted from the money sent. Education and family upkeep were reported as the main items on which the money sent is spent on. More than half however reported that the money sent has been spent on family upkeep. The study also ascertained the channels of money transfers used by Ugandans currently working in SS and over half of the respondents noted to be using informal money agents such as Bus companies. Another notable percentage (34.6 percent) reported using friends traveling back to Uganda to send money to their families. Very few (11.5 percent) participants reported to be using banks as a channel of money transfer.

Table 9: Economic impact of migration to SS among Ugandans in SS at household level

Variable – Ugandans in SS		n=104	%
Send money back home		52	50.0
Frequency of sending money home			
	Every month	41	78.9
	Every 3 months	8	15.8
	Every 6 months	3	5.3
Money sent			
	110,000-200,000	14	26.3
	210,000-400,000	21	42.1
	410,000-600,000	14	26.3
	610,000-800,000	3	5.3
Money recipient			
	Family	52	100
Number of beneficiaries			
	1-3 people	19	36.8
	4-5 people	21	42.1
	6 + people	11	21.1
Money spent on			
	Education	21	42.1
	Family upkeep	31	57.9
Channels of sending money			
	Bank transfer	6	11.5
	Friends	18	34.6
	Money Agent	28	53.8

Among the participating Ugandans returnees from SS, over 70 percent reported to have sent money back to Uganda (Table 10). Over 90 percent used to send money either every month or every 3 months. Over half of the participants used to send between UGX210,000 (USD84) and UGX400,000 (USD160) every sending, and one quarter reported to have sent between UGX410,000 (USD164) and UGX800,000 (USD320) every sending.

Table 10: Economic impact of migration to SS among Ugandans returnees from SS at house hold level

Variable – Returnees from SS	n=88	percent
Sent money while in SS	74	84.1
How often		
Every month	44	59.5
Every 3 months	24	32.4
Every 6 months	6	8.1
Amount sent		
110,000-200,000	16	21.6
210,000-400,000	40	54.1
410,000-600,000	12	16.2
610,000-800,000	6	8.1
Money recipient		
Family/relatives	74	100
Number of beneficiaries		
2-3 people	38	51.4
4-6 people	36	49.6
Money to be spent on		
Education	30	40.5
Business	10	13.5
Family upkeep	34	46.0
Channels of sending money		
Western Union	6	8.1
Bank transfer	4	5.4
Friends	64	86.5

All the returnees from SS that used to send money noted that the recipient was also a family member back in Uganda and there was more than one beneficiary for the money sent (Table 10). Half of the returnees reported between 4 and 6 people benefited from the money sent. Education, family upkeep and business were reported as the main items on which the money sent was spent on. Over 80 percent however reported education and family upkeep as the main items on which money sent was spent on. On the channels of money transfers used, over 80 percent noted to have used friends traveling back to Uganda to send money to their families. Very few (13 percent) returnees reported to have used formal channels such as Banks and western union as for money transfer.

Challenges Faced by Ugandans Living/Working in South Sudan

Over the years, Ugandans movement to and trading in SS has not passed without controversy. In May 2013 (Capital fm news), the chairman of Ugandan traders in SS warned that Ugandans hoping to go and do business in SS should give up the idea until institutions are set up. He alleged that the situation was too risky because Ugandans were being harassed and some getting killed by Sudanese.

To get an insight into the social life and environment of Ugandans in SS, the study participants were asked about access to social services and how they are treated as migrants from Uganda. A majority (67.3 percent) of respondents working in SS at the time of the study reported housing as the social service that they freely accessed. However, only 10 percent felt they freely accessed health services and none noted that they freely accessed education services. Over 30 percent reported to have been denied a service because they are Ugandan, while a significant 88 percent noted to have faced some form of discrimination.

Table 11: Social life and environment for Ugandans in SS

Variable- Ugandans in SS		n=104	percent
Freely access basic services below			
	Education	0	0.0
	Health	10	9.6
	Housing	70	67.3
Has been denied a service for being Ugandan		36	34.6
Has faced some form of discrimination for being Ugandan		92	88.5
Has been verbally abused for being Ugandan		96	92.3
Frequency of verbal abuse			
	All the time	22	22.9
	Many times	62	64.6
	A few times	6	6.3
	Only once	8	8.3
Perpetrator			
	Locals	76	77.6
	Security personnel	8	8.2
	Both locals and security personnel	14	14.3
Did something about it		12	12.2
Has been physically abused/attacked for being Ugandan		30	28.8
Know a Ugandan that has been physically abused/attacked		38	36.5
Frequency of physical abuse			
	All the time	4	6.1
	Many times	8	12.1
	A few times	8	12.1
	Only once	46	69.7
Perpetrator			
	Locals	38	57.6
	Security personnel	24	36.4
	Both locals and security personnel	4	6.1
Did something about it		24	36.4

In August 2013, Ugandans working in SS including bus drivers, taxi drivers and traders threatened a sit-down strike following the difficulties they faced such as being denied freedom to trade freely with the nationals, not being

able to deposit large sums of money in banks, paying unnecessary taxes compared to the nationals and nowhere to report in case of a problem (Nabulya 2013). In the same period, at least 1,600 Ugandans involved in *boda-boda* business in SS were left jobless after the Juba Government declared that such a trade was to be a preserve of its citizens (Ladu 2013).

Nearly all (92 percent) of the respondents working in SS reported to have been verbally abused (Table 11). When probed to shed light on the abuse, a majority noted to have been referred to as poor, good for nothing, thieves, criminals, cheats and that Ugandans are in SS to steal money. Over 80 percent reported to have faced verbal abuse either many times or all the time. The main perpetrators of verbal abuse reported were the locals and security personnel. Over 75 percent reported locals as the perpetrators of verbal abuse. Notably, only 12 percent did something about this by either reacting verbally or reporting to the authorities.

Over 60 percent of the respondents working in SS reported to either having been physically abused/attacked or knew a Ugandan that had been physically attacked (Table 11). In terms of frequency, about 70 percent reported to have been physically attacked only once, the rest (24 percent) had experienced physical abuse either a few times or many times. Nearly 60 percent reported locals as the perpetrators of physical attacks, while 36 percent reported security personnel. Notably again, only 36 percent did something about it, such as reporting to the authorities. Some of the respondents working in SS at the time of the study described their experiences as follows;

Anyone can pretend to be a security agent...one day I did not move with my passport and someone asked for it, when I said I did not have it, he asked for money but when I refused he slapped me. – male working in SS

A woman was gang raped yet she had agreed to go with one Sudanese man who paid and called his colleagues. ... male working in SS

I had an argument with a man who had returned goods saying that it was fake, the locals ganged up and abused me and beat me up that I should refund him the money.- male working in SS

Similar to respondents that were working in SS at the time of the study, a majority of returnees from SS (86.4 percent) also reported to freely having had access to housing services, a few (30 percent) freely accessed health services and none reported to having freely accessed education services (Table 12). In a similar trend, nearly 40 percent of the returnees reported to have been denied a service because they were Ugandans, and majority (77.3 percent) had faced some of discrimination while working in SS. Some of the respondents that had worked and returned from SS described their experiences as follows:

I had to pay money every time I wanted to cross from one state to another...even when they (Ugandans) are innocent, they are considered to

be guilty as long as the issue is between them and South Sudanese. — male returnee from SS

I could not access health services free of charge in Rumbek because I was foreigner....all free services like health, employment and driving permit were not for foreigners. —male returnee from SS

Table 12: Social Life and environment for Ugandan returnees from SS

Variable- Returnees from SS	N=88	percent
Freely accessed basic services below		
Education	0	0.0
Health	26	29.5
Housing	76	86.4
Was been denied a service for being Ugandan	34	38.6
Faced some form of discrimination for being Ugandan	68	77.3
Was been verbally abused for being Ugandan	86	97.7
Has been physically abused/attacked for being Ugandan	38	43.2
Know a Ugandan that has been physically abused/attacked	54	61.4
Did something about it	34	45.9

Among respondents that had worked and returned from SS, nearly all (98 percent) reported to have been verbally abused during their stay (Table 12). Similar abuses of being referred to as poor, good for nothing, thieves, criminals, cheats and that Ugandans were in SS to steal money; were shared by the respondents. Notably, all of them reported to either having been physically attacked (43 percent) or knew a Ugandan (61 percent) that was physically attacked during their time of stay in SS. Notably too, only 45 percent of did something about such as reporting to authorities. Some of the respondents described their experiences as follows:

Used to refer to me as a prostitute who went to spread HIV/AIDS....every girl they see working in SS is considered to be a prostitute which is very demeaning. — Female returnee from SS

Ugandans are generally considered to be thieves, and that's what they used call me. — male returnee from SS

Men wanted to have sex with Ugandan girls by force and everyone was considered to be a sex worker...my friend was beaten by her boss several times because she refused to have sex with him. — female returnee from SS

My friend rode a local on a bodaboda and instead of paying him, he just beat him up.... male returnee from SS

A friend of mine was beaten in Bol by a group youth when they suspected him to be in love with a local girl. —male returnee from SS

More extreme cases of difficulties experienced by Ugandans in South Sudan have been reported in the media over the years. In the most high profile instance, the vice-chairman of the Ugandan Traders Association in Juba was shot in 2007 when he tried to intervene on behalf of a Ugandan youth being beaten by a policeman (Edwards 2012). The number of cases of Ugandan businessmen who had died in South Sudan in mysterious circumstances had reached 16 in May 2010 since 2006 according to media reports (*Sunrise* May 2010).

In August 2011, two Ugandan businessmen were found dead in the eastern Equatorial State of South Sudan. It was suspected that the two were robbed and then killed. In 2012, the chairman of the Joint Action for Redemption of Ugandan Traders in Sudan indicated of reports of 12 Ugandans being killed in South Sudan in January 2012 alone (Edwards 2012). In April 2013, gunmen attacked two trucks that were heading back to Uganda from South Sudan killing 2 Ugandans, the driver and a turn-man (*The New Vision* April 2013).

Government Policy and Support for Ugandans Living/Working in South Sudan

According to external trade commissioner, Ministry of Trade (MoT), the ministry engages with Ugandans trading in SS through regular meetings and registration. He noted that the ministry has a desk in place that resolves issues to do with traders in SS. He also revealed that a number of platforms and frameworks are in place for Ugandans trading with neighboring States. He informed that a national response strategy for elimination of monetary barriers is in place and the inter-institutional trade committee that brings together several private traders to allow constant flow of information between the ministry and traders.

Further, according to the Head of Diaspora Department, MoFA, the Ugandan embassy in SS is very much engaged with the Ugandans. He noted that the embassy receives cases very regularly of Ugandans that have been detained over arguments, mainly commerce related. He however noted that at times it's challenging because people may not understand what cases are treated as civil or criminal matters. He emphasized that whereas the embassy works to ensure that rights of Ugandans are protected, and due process followed in courts. On civil cases, he noted that the embassy tries to educate the two parties and see how best it's solved, though it quite takes a lot of time in most cases.

While facing the a parliamentary committee, the Minister of Foreign Affairs and his deputy noted that the situation in SS was at times a result of mistakes by Ugandan people, and sometimes South Sudanese. He informed the Members of Parliament (MPs) that the ministry had set up a committee to iron out the issues. The state minister however said that there was lack of

cooperation from the Ugandans in SS. He informed the MPs of an incident where Ugandans that had come for a meeting at the embassy in SS walked out after being requested to register their personal details and contacts.

The new ambassador currently now in SS recently called a meeting of Ugandan leaders and community in SS, and asked them to register and know where they are so that we can intervene at short notice, but surprisingly of the over 300 people that came for the meeting, the moment the issue of registration arose, they started walking away” state minister foreign affairs. (NTV news, August 06, 2013)

The study participants however shared a different view. According to both Ugandans working in SS and those that have returned, majority feel that the Government of Uganda and its counterpart have not done enough to protect Ugandans working in SS. Majority were also strongly not satisfied with the Government’s policy or support for Ugandans working in SS (Table 13 and 14).

Table 13: Perceptions about Government’s policy and support for Ugandans working in SS

Variable – Ugandans in SS	n=104	percent
Governments’ effort to protect Ugandans in SS		
Not enough	90	88.2
Fairly enough	10	9.8
Enough	4	2.0
Agency/Organization has been helpful while in SS	16	15.7
Government support/policy for Ugandans in AS		
Not satisfied	80	78.4
Fairly Satisfied	16	15.7
Satisfied	6	5.9
Have received support from Government of Uganda while in SS	4	3.9

Some of the respondents expressed their lack of satisfaction with both the Ugandan and SS Governments’ policies and support to protect them as follows:

There is no policy in place to safeguard non Sudanese; everyone survives by the hand of God.

There is no support at all Ugandans get from Government, even when they get problems, no Government official comes to their rescues, everyone is on their own in SS.

They beat us, steal our money, some people have even been killed and nothing is done to stop these acts.

We have not enjoyed any support from Government because even the president said that most Ugandans in SS are thieves.

Table 14: Perceptions about Government's policy and support for Ugandans working in SS

Variable – Returnees from SS	n=88	percent
Governments' effort to protect Ugandans in SS		
Not enough	82	93.2
Fairly enough	6	6.8
Received support from any Agency/Organization while in SS	2	2.3
Government support/policy for Ugandans in AS		
Not satisfied	82	93.2
Fairly Satisfied	6	6.8

The head of Diaspora Department, MoFA, did not think cases in SS are specifically unique to Ugandans but every foreigner working in SS. He cited the incident in April 2013, where Ugandan truck drivers were killed together with Somalis, Kenyans and Eritreans.

The external trade commissioner, Ministry of Trade shared similar sentiments. He noted that SS like any other young country was still in the process of setting up the systems. Whereas he acknowledged presence of insecurity, he did not think it was because of the Government.

...everywhere in the world there people who will that see that the systems in the country are not yet strong and they would want to take advantage of it, so it's not only in Sudan, even if it was is here, if the systems break down, thugs will take over. So the problems are not that it's South Sudan, it is because the systems are just being built. External Trade Commissioner, Ministry of Trade

In 2010, the then Minister of Trade, Tourism and Industry, disclosed that some unscrupulous Ugandan traders were simply exaggerating what he termed as simple misunderstandings between Ugandan traders in Juba and the Government of South Sudan. (*Sunrise* October 2010).

In April 2013, the commissioner for central Equatorial State, Maj. Gen. Abraham Angal informed a Ugandan parliamentary committee on tourism, trade and industry that most of the crimes committed against Ugandans were masterminded by their Ugandan colleagues who connived with the Sudanese. The commissioner explained that they had cases of Ugandans engaging in criminal activities like breaking into forex bureaus, selling stolen cars from Uganda and evading trading licenses. The commissioner told the MPs that in every case of burglary, theft and death a Ugandan was involved. The report showed that the majority of *bodaboda* riders in Juba were Ugandans, others were taxi drivers, and porters at building sites who are the main source of insecurity and they live in the slums where the numbers of crimes are high (*The New Vision* April 2013).

As a result, in August 2013, South Sudan's Interior Ministry banned foreigners from operating *bodaboda* (motorbike taxis), in the country. South Sudanese officials noted that the aim of the new rule was to prevent foreigners from taking jobs from South Sudanese. They also claimed that the move was to curb increasing criminal acts committed by many foreigners hiding in the business. Leaders of the Ugandan community in South Sudan claimed that the Ugandan embassy in Juba never received any official notification of the new rule. (Mogga 2013).

Case Study Two: Movement of Ugandans to Arab Gulf States (AS)

In the recent years, there has not been increased movement of Ugandans like to the Arab Gulf States such as UAE, Qatar, Iraq, Kuwait, Saudi Arabia, Oman among others. In 2008, the Senior Labor Officer in the Ministry of Labor (MoL), reported that there were 7,520 Ugandans working in the Middle-East as of June 30, 2008. He reported that over 200 Ugandans leaving every month to work in the region through agencies that find jobs overseas (Nsimbe 2008). But the actual numbers are not known because many are either underground or leave Ugandan undocumented, as acknowledged by both the Principle Labor Officer (PLO) under MoL, and Head of Diaspora department under MoFA.

The focus of the study is on the Gulf States of Iraq and United Arab Emirates (UAE) which have witnessed an exodus of Ugandans for the bigger part of the last decade. To get an insight into Ugandans move to this particular part of the world, the study surveyed Ugandans planning to make the move, those that worked there and returned and those currently living/working in AS countries. The study also drew views from recruiting agencies and relevant Government officials on issues of interest.

Description of Study Participants- Returnees from AS

One hundred (100) returnees from AS were also contacted for participation in the study. All of them were male and had worked in Iraq (Table 15). A majority (61 percent) were between the ages of 26–30 years and slightly over a half of them were married or living with a partner. All of them at least had secondary level education and nearly all noted being household heads at the time of the study.

Table 15: Socio-demographic characteristics of Ugandan returnees from AS

Variable- Returnees from AS		Returnees (100)	
Sex		n=100	percent
	Male	100	100.0
	Female	0	0.0
Age	20-25	4	4.0
	26-30	61	61.0
	31-35	29	29.0
	36 years and above	6	6.1
Marital status	No spouse	47	47.0
	Married/cohabiting	53	53.0
Level of education	O level	25	25.0
	A level	36	36.0
	Tertiary	29	29.0
	University	8	8.0
Head of HH		92	92.0
Country worked in AS			
	Iraq	100	100.0

Description of Study Participants—Ugandans Currently in AS

The study team was able to contact 50 Ugandans working or living in AS at the time of the study that consented to take part in the study. Over 60 percent were male and between the ages of 20–35 years (Table 16). However, a notable proportion (40 percent) was between the ages of 26–30 years. Slightly over half had no spouse and all of them had at least secondary education. Notably however, 60 percent reported to have completed university education. A majority (60 percent) were residing in UAE at the time of the study, and over 80 percent had been in AS for 3 or more years. Notably though, 40 percent had been in AS for 5 or more years.

Table 16: Socio-demographic characteristics of Ugandan currently in AS

Variable- Ugandans in AS			
Sex		n = 50	percent
	Male	32	64.0
	Female	18	36.0
Age			
	20-25	10	20.0
	26-30	20	40.0
	31-35	10	20.0
	36 years and above	10	20.0
Marital status			
	No spouse	24	48.0
	Married/cohabiting	26	52.0
Level of education			
	O level	10	20.0
	A level	10	20.0
	University	30	60.0
Country of residence			
	Qatar	8	16.0
	Saudi Arabia	6	12.0
	UAE	30	60.0
	Kuwait	2	4.0
	Oman	2	4.0
Duration spent in AS			
	Bahrain	2	4.0
	2 years	10	20.0
	3 years	12	24.0
	4 years	8	16.0
	5 and more years	20	40.0

Movement Trends to Arab Gulf States over the Years

According to the PLO-MoL, increasingly Ugandans are moving to the Arab Gulf States. He, however, noted that Iraq had high numbers of Ugandans moving in around 2007 and 2008, but most of them returned in 2011 because of the prevailing instability in the country. As the PLO-MoL noted:

....if you analyzed considering Iraq, you would say the number has been reduced but when you remove Iraq and put it outside then you would see the picture that it has been increasing because I think UAE is taking more peopleso the number has been increasing.

An assessment of recruiting agencies showed that a majority started operation 2009/2010 and the main countries of destination were UAE and Iraq. Officials from the recruiting agencies noted their key partners as MoL, recruiting agencies in AS, Ministry of Internal Affairs, police, and the media. The recruiting agencies reported to receiving as many as 150

applications every week and send about 20 people per month. Some noted to have sent over 1000 people since commencing operation.

Among returnees that participated in the study, nearly all of them (93 percent) had worked in AS for either 2 or 3 years (Table 17). A notable proportion (35 percent) moved to AS with either a relative or a friend. Nearly 50 percent of the returnees visited their family members in Uganda at least once a year while working in AS. Similarly, nearly 50 percent had plans to move back to AS, and less than a quarter wished to stay there permanently. The major reasons are that they have family Uganda or they just want to work, save and start up own business at home in Uganda. Respondents expressed their reasons for not staying in the Gulf region permanently as follows;

“East or west, home is best”- male respondent

“It’s better to invest in your home country than stay in the diaspora”- male respondent

“My family is here, I cannot stay there permanently”- male respondent

“I have family that will be missing me” – female respondent

“When the contract expires I have to come back”- male respondent

“I want to get money and put up a business in Uganda” – male respondent

“I am just looking for start-up capital and then come back” – male respondent

Table 17: Trend of movement among returnees from AS

Variable -Returnees from AS	N=100	percent
Duration spent in AS		
1 year	3	
2 years	42	
3 years	51	
4 and more years	4	
Moved with friend or relative	35	35.0
Visited Uganda while working in AS	48	
Frequency of visit back home		
Once a year	38	
Once in 3 years	10	
Reason for visiting home		
Visit family	39	
Business	7	
Have plans of moving back to AS	47	
Wish to stay there permanent	19	

Pull and Push Factors to Arab Gulf States

Officials from recruiting agencies noted that majority of the applicants want to move or moved because of lack of jobs. The officials also expressed the challenge of overwhelming number of applicants all wanting to make the move. The Senior Labor Officer in the MoL noted that Uganda needed to create at least 400,000 jobs every year but only about 60,000 could be created (Nsimbe 2008). The Senior Labor Officer highlighted that because of a lot of construction in the Gulf region, a lot of labor is sought from around the world, including Uganda. Officials working with recruiting agencies noted that the applicants didn't necessary choose the Gulf region as their destination, but it's where the opportunities are.

Among returnees, the main reason for leaving Uganda for AS was that they either had no job or were not earning enough in Uganda. A majority (83 percent) noted to have moved to Iraq and not any other AS country because it was easy to move to (Table 18). The rest justified the choice of direction because they had a friend or relative residing in the country. A majority (82 percent) of the returnees also reported to have been helped by an agency to move to AS and would encourage others to do so.¹

Table 18: Pull and push factors to AS among returnees

Variable – Returnees from AS		N=100	percent
Reason for leaving Uganda			
	Been unemployed	47	
	Not earning enough	53	
Why AS			
	Easy to move to	83	
	Have friends there	15	
	Didn't choose	2	
Facilitating factors-Who helped you move			
	Relative/friend	18	
	Agency	82	
	Knows someone in AS	23	
Would encourage other to move		97	

For Ugandans in AS at the time of the study, the main reasons for leaving Uganda, as in the case of Ugandans leaving for SS, was that they either had no job or were not earning enough in Uganda. However, a notable proportion (30 percent) left to pursue further studies or to join family (Table 19). Majority noted to have moved to AS and not any other part of the world because they already knew someone there (48 percent) or because it had better opportunities (44 percent). Those that moved in pursue of further studies had received a scholarships from an institution in AS. As noted already, majority (68 percent) reported to have been helped by a friend or relative to move. Few (20 percent) reported to have been

helped by an agency and even fewer (12 percent) noted to have moved on their own without any one helping them. A large proportion (88 percent) planned to continue staying in AS. Many highlighted the need to save much more as they can, before they would return to Uganda. A few noted having no plan of returning to Uganda at all.

Table 19: Pull and push factors to AS among Ugandans currently in AS

Variable – Ugandans in AS	N=50	percent
Reason for leaving Uganda		
Been unemployed	21	42.0
Not earning enough	14	28.0
Further studies	4	8.0
Family	11	22.0
Why AS		
Had friends/relatives there	24	48.0
Better opportunities	22	44.0
Scholarship	4	8.0
Facilitating factors-Who helped you move		
Relative /Friend	34	68.0
Agency	10	20.0
No one	6	12.0
Plans to continue staying in AS	44	88.0

Socio-Economic Gains of Migration of Ugandans to Arab Gulf States

Remittances from the Arab Gulf States to Uganda reached their highest in the years 2008 (BOU and UBOS, 2008 and 2009). In this period, remittances from the region accounted for nearly 10 percent (approximately USD70.2 million) of the country's total remittances (USD778.3 million). Before and after 2009, remittances from the Gulf region always accounted for less than 5 percent of the country's total remittances. However, the actual amount in 2010, USD34.92 million, accounted for about 4.3 percent of the country's total remittances of USD812.9 million was higher than the 2006 amount, which was only USD12.2 million and accounted for 3 percent of the total remittances of USD406.5 million (BOU and UBOS, 2006 and 2010) (Figure 2).

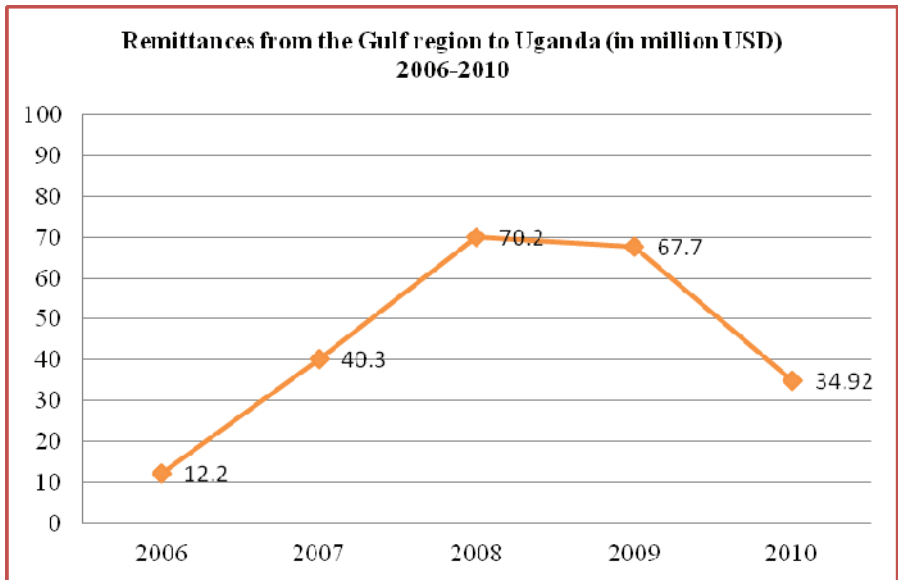


Figure 2: Total Remittances from Ugandans in the Gulf Region, 2006 –2010

Source: Bank of Uganda/Uganda Bureau of Statistics

At its peak in 2009, the trade in exporting labor is thought to have been Uganda's largest source of foreign currency. According to statistics, in two years, it was reported that Ugandans in Iraq had remitted about USD2 million to Uganda (*English people*, August 2007; Iraqnam Aug 2007). It was further reported that the Iraq opportunities brought in about USD90 million dollars (mostly made up of remittances) compared to coffee, the chief export then, which brought in around USD60 or USD70 million a year (Delany 2009).

Both the Government PLO and Head of Diaspora Department felt that the migration of Ugandans to the Gulf region for work greatly tackles the unemployment problem in the country. The two Ugandan Government officials also noted that the country at large earns foreign exchange from diraams and dollars sent by Ugandans that have made the move. They also noted that the remittances go a long way in impacting on the country's economy either directly or indirectly. It was noted that Ugandans in the Gulf send money back home to family members for upkeep, school fees, medical care, among others. Even when monies are sent for home consumption, it trickles down into the economy as they are used purchase commodities in the local market.

The head of diaspora department also noted that the country benefits from migration to the Gulf States when the migrants acquire new skills especially among the professionals. He cited a case of professional doctors

who return to the country with specialized skills having made the move and worked in modern facilities with modern equipment. He further noted;

....migration per say is not negativefirst of all its inevitable in today's world people will always be moving so it's more of ensure that this movement doesn't put our people in arms way rather than trying to control it basically that's it. – Head of Dept. Diaspora, MoFA

The current study assessed economic impact of Ugandans moving to the AS at the micro levels. At individual level, gains and losses were examined by ascertaining what the migrants were economically involved in Uganda and how much they earned before their move to AS. Sources of income in AS and monthly earning was also ascertained so as to be able to compare status before migration. Among participating returnees from AS, current source of income in Uganda was further ascertained with an aim of assessing whether the move was worth it. At household level, personal transfers were used as a measure for economic impact. Respondents were asked if they make/made any personal transfers back home, the frequency, amount, recipients and beneficiaries, and finally expenses on which money transfers were/are spent on.

Individual Level

The PLO-MoL acknowledged that recruitment agencies for work in the Gulf region have not yet been able to penetrate the job market to take people with high level skills and qualifications like managers, the doctors, accountants, etc. He noted that most of agencies are still young and have only been able to obtain lower level jobs, such as guards. The PLO-MoL praised the innovation of agencies finding jobs for Ugandans in UAE, terming it life changing because workers earned way above average payment in Uganda depending on how they negotiated their contracts.

According to recruiting agencies, the common occupation categories for Ugandans they have sent were: guards, customer care, cleaners, waitresses and for a few agencies; drivers, nurses, builders, mechanics, high rise windows or air craft loaders. The contacted agencies noted that recruits earned between UGX500,000–UGX3,000,000 (USD900–USD1300) per month depending on the occupation category. From the amount, agencies get a certain percentage as commission. The agencies noted that the contracts with the employer in most cases include accommodation and other welfare related benefits.

In May 2005, the then Manager of Askar Security Services, revealed that the first batch of the recruits earned between USD1,000–USD2,000 per month (Kigamboand Kabona May 2005). In August 2007, though agencies were tight-lipped on how much each Ugandan recruit would earn per month in Iraq, it was reported that the earlier groups earned about 1.6 million Ugandan shillings (about USD1,000 at the time) per month (*English people*, August 2007; Iraqnam Aug 2007).

A review of monthly earnings of Ugandan recruits especially in Iraq showed a reduction in trend over the years. It is reported that some of the first recruits from Uganda to Iraq in 2005 earned between USD1000 and USD2000. This had reduced to about USD600–USD700 by 2010 due to competition from other developing countries in Africa and the Indian subcontinent (Delany, March 2009).

The PLO-MoL believed that the move to the Gulf region by Ugandans is very gainful, especially for an individual that has not been earning a penny. He believes that even if the earning was as small as USD200 per month, it is better than earning nothing for this individual if he/she stayed in Uganda. Similarly, the PLO noted that the move is still gainful to the individual even if he/she is under employed in the Gulf region, since the earning will be significantly higher compared to a job in Uganda in line with one's qualifications.

Among returnees from AS, many (39 percent) did not have a job before they moved to AS (Iraq) and were not earning any income (Table 21).

Table 20: Economic impact of migration to AS at individual level among returnees from AS

Variable- Returnees from AS	n=100	percent	Variable	n=100	percent
source of income before moving			Monthly earning in UG before		
None	39		Less than 100,000	51	
Subsistence farming	15		110,000-200,000	29	
Self employed	20		210,000-400,000	17	
Salaried worker	12		410,000-600,000	3	
Other	14		Monthly earning in AS		
Occupation in AS			610,000-800,000	15	
Guard	82		810,000-990,000	32	
Cleaner	15		1,000,000 and above	53	
Current source of income in Uganda			Current Monthly earning in UG		
None	2		Less than 200,000	5	
Commercial farming	2		210,000-400,000	22	
Self employed	82		410,000-600,000	29	
Salaried worker	9		610,000-800,000	30	
Other	5		810,000-990,000	4	
			1,000,000 and above	9	
			Feels stay in AS was worth it	99	
			Encourages others to move to AS	97	

Those that had a source of income were either involved in subsistence farming, self-employed or salaried workers in private companies. A majority earned less than UGX 200,000 (USD80) per month. Very few

earned between UGX 210,000 (USD84) and UGX 600,000 (USD240) per month while none earned more than UGX 600,000 (USD240). Having made the move to Iraq, a majority worked as guards and a few as cleaners where the least paid earned between UGX 610,000 (USD244) and UGX 800,000 (USD320) per month (Table 21). Over 50 percent of the returnees noted to have earned UGX 1,000,000 (USD400) and above per month while in AS. A notable proportion (32 percent) also earned between UGX 810,000 (USD324) and UGX 990,000 (USD396) per month.

According to the PLO, the move to the Gulf region is more than just one of only economic gains but also social gains. He noted that the move exposes one to the outside world and cultures that impact on the way one approaches life. This is a result of one working and interacting with different nationalities of the world. He further noted that many have saved their money, returned and started businesses that have created jobs for other people in the society. The PLO further explained noting;

...there is that shift in a way of doing things ...you acquire new ways of doing things it might not be tangible but you will find that the work ethics and the attitude to work have changed. PLO- MoL

At the time of the study, having moved back to Uganda, most of the returnees (82 percent) noted to be self-employed managing their own businesses. A majority (60 percent) reported to be earning between UGX 410,000 (US\$164) and UGX 800,000 (US\$320) from their businesses per month. Nearly all (99 percent) felt that their move to the Gulf region was worth it and encouraged any other Ugandan interested in making a similar move. To them, Arab Gulf States have better opportunities and better pay than Uganda. The following represent a few of the statements some of the respondents made:

"At first I did not have money to start a business, but after I came back with capital"

"I managed to get money and supported my family, paid school fees and started commercial farming"

"I constructed a house and started up a furniture workshop (electronic shops, timber business, hard ware, taxis for hire, etc.)"

"If you are lucky, there is money"

"Very easy to get capital and start own business"

"There is peace and money"

"Jobs are there and money is paid promptly"

"You can easily make a lot of money in a short time"

The story is no different among Ugandans in the Gulf region at the time of the study. Nearly half of them (44 percent) did not have a job before they moved to AS and therefore were not earning any income (Table 21). Those

that had a source of income were either self-employed or salaried workers in private companies. A majority earned less than UGX 100,000 (USD40) or between UGX 410,000 (USD164) and UGX 600,000 (USD240) per month. A few (16 percent) earned between UGX 1,000,000 (USD400) and above per month.

Table 21: Economic impact of migration to AS at individual level among Ugandans in AS

Variable- Ugandan in AS	n=50	percent	Variable	n=50	percent
source of income before moving			Monthly earning in UG before		
None	22	44.0	Less than 100,000	28	56.0
Self employed	16	32.0	410,000-600,000	8	16.0
Salaried worker	12	24.0	610,000-800,000	4	8.0
			810,000-990,000	2	4.0
			1,000,000 and above	8	16.0
Occupation in AS			Monthly earning in AS		
Trader	12	24.0	610,000-800,000	6	12.0
Music business	6	12.0	810,000-990,000	4	8.0
Customer care	8	16.0	1,000,000 and above	40	80.0
Guard	8	16.0			
Cleaner	4	8.0			
Driver	4	8.0			
Teacher	4	8.0			
Doctor	4	8.0			

In AS, a majority were employed as either guards (16 percent), customer care (16 percent) or involved in trade (24 percent). Several (12 percent) work in the music industry as dancers, DJs or promoters for Ugandan based musicians (Table 21). A few were employed as cleaners (8 percent), drivers (8 percent), teachers (8 percent) and Doctors (8 percent). The least paid was earning between UGX 610,000 (USD244) and UGX 800,000 (USD320) per month while 80 percent reported to be earning UGX 1,000,000 (USD400) and above per month.

Household Level

About 76 percent of the returnees reported to have sent money back to Uganda while working in Iraq (Table 22), and 57 percent used to send money either every month or every 3 months. A majority of the returnees (59 percent) reported to have sent between UGX210,000 (USD4) and UGX600,000 (USD240) every sending, to mainly family or close relatives. Many of the returnees highlighted education and family upkeep as the main expenses on which money sent was spent on. A notable proportion (37 percent) noted that between 4–6 people benefited from the money they

sent. One quarter noted 2-3 family members or relatives that benefited from the money they sent. Returnees noted Western Union and Banks as the main money transfer channels used while in Iraq (Table 22).

Table 22: Economic impact of migration to AS at household level among returnees from AS

Variable – Returnees from AS		N=100	percent
Sent money while in AS		67	
How often			
	Every month	40	
	Every 3 months	17	
	Every 6 months	7	
	Once a year	2	
Money sent			
	110,000-200,000	4	
	210,000-400,000	37	
	410,000-600,000	22	
	610,000-800,000	4	
Money recipient			
	Family/relatives	61	
Number of beneficiaries			
	2-3 people	24	
	4-6 people	37	
	7 + people	5	
Money to be spent on			
	Education	38	
	Business	5	
<i>Cont. Table 22</i>			
	Construction	7	
Channels of sending money			
	Family upkeep	17	
	Western Union	38	
	Bank transfer	25	

Among Ugandans in AS at the time of the study, a majority (68 percent) also reported to be sending money either every month or every 3 months (Table 23). Most of the Ugandans in AS that send money reported that they sent the money mainly for family and relatives upkeep back in Uganda.

Table 23: Economic impact of migration to AS at household level among Ugandans in AS

Variable – Ugandans in AS	N=50	percent
Sends money back home	34	68.0
How often		
Every month	22	44.0
Every 3 months	12	24.0
Money to be sent		
410,000-600,000	14	28.0
610,000-800,000	6	12.0
1,000,000 and above	14	28.0
Money to be spent on		
Education	6	12.0
Business	6	12.0
Family upkeep	26	52.0

Challenges Faced by Ugandans Living/Working in Arab Gulf States

All returnees from Iraq that took part in the study cited no significant challenge during their stay (Table 24). To many, the weather was either too hot or too cold, compared to what they were used to in Uganda. A few cited how dangerous it was at times due to the fact that they were in a war environment, where an attack was inevitable. A review of literature also revealed how dangerous working in Iraq could be.

Table 24: Social life and environment for Ugandans in AS

Variable- Returnees from AS	N=100	percent
Was denied a service for being immigrant	5	5.0
Faced any form of discrimination based on immigrant status	5	5.0
Verbally abused	5	5.0
Physically attacked due to immigrant status	1	1.0

Among returnees from AS (Iraq), very few reported to have faced any form of discrimination or abuse while working in Iraq. Many of the returnees were also satisfied with the Government support and policy for Ugandans in or moving to AS. However, there were mixed responses to the Government's efforts to protect Ugandans working in AS. Whereas 45 percent of the returnees felt the Government was doing enough to protect Ugandans, the rest felt otherwise (Table 25).

Table 25: Perceptions about Government's policy and support for Ugandans in AS

Variable – Returnees from AS	n=100	percent
Governments' effort to protect Ugandans in AS		
Not enough	39	39.0
Fairly enough	16	16.0
Enough	45	45.0
Agency was helpful while in AS	1	1.0
Government support/policy for Ugandans in AS		
Not satisfied	35	35.0
Satisfied	62	62.0

Despite the study participants reporting no cases of abuse, there have been several reports in the media about Ugandans working in the Gulf region being abused. From the onset in May 2005, sections of politicians condemned the act of Government's approval to recruit Ugandans as guides in a War stricken Iraq. One Member of Parliament (MP) condemned the exercise noting that it was tragic for the Ugandan Government to allow its citizens to be recruited as mercenaries (Kigambo and Kabona 2005).

In May 2006, a year after the first batch of recruits was sent, there were allegations that Ugandans working with the United States forces in Iraq were sexually abused and that their contracts were being changed arbitrarily by the recruiting agencies. It was reported that Ugandans were unhappy about being forced to change from one contractor to another on reaching Iraq. As part of the multinational forces, Ugandans guarded US military bases, oil fields, airports, highways, towns, water and electricity installations among others, to pacify the volatile Iraq. For this work, they earned USD1000 (about UGX1.8 million) with USD100 deducted at source as out of pocket allowance, leaving USD900 (about UGX1.6 million) which was wired to their accounts back home. On the other side, the other nationals doing similar work got US\$4000 with allowances (Matsiko 2006).

In February 2010, former security guards accused their past employers of taking advantage of young Ugandan men. Gideon, himself deployed to Iraq in 2006 and 2007 as an army physician, reported in 2010 that Ugandans were being exploited in Iraq. Speaking in a union office in the Ugandan capital Kampala in 2010, Gideon deplored the working conditions his compatriots were exposed to in Iraq. He claimed that Ugandans had to purchase their own equipment in Baghdad, stand guard for ten hours straight in the burning sun and were being packed into tents like sardines in a can (Schenkel 2010).

In April 2011, it was reported in the media that at least 100 of the Ugandan women who had moved to Iraq in 2009 remained unaccounted for, and Uganda Veterans, the company that recruited them, did not know where

they were. This was revealed to the media after a Ugandan woman that had escaped from Iraq narrated her story after being rescued together with other 14 Ugandans by the International Organisation for Migration (IOM) with the assistance of the US army, reportedly sick or severely traumatized (*The Daily Monitor*, April 2011; Lubwama 2011). In 2012, more reports of abuse of Ugandans in UAE were published in the media (Birungi 2012; Katende 2012; *The New Vision* August 2012).

The Government's Head of Diaspora Department acknowledged that there have been many cases of human rights abuse of Ugandans in the Gulf region, many of which are victims of human trafficking. He revealed that the department under ministry of foreign affairs receives reports on a daily basis on distressed Ugandans in Qatar, Kuwait and other Gulf States. He noted that the department also gets the information through the media and two Ugandan embassies in the region (UAE and Saudi Arabia). The Government official also revealed that some victims contact their relatives, or the department directly and at times Interpol. He however couldn't report the exact number of cases reported that have been reported through the different avenues over the years, due to lack of documented data. The Government official noted;

.....their serious issues in the middle east where we have been having cases.....there have been so many cases reported about human trafficking, we have been getting cases of people being taken from here, these girls have been misled they have been deceived you are going to work as an air hostess or in a salon they reach there and are turned into something else....in fact they are sexually abused many of them and so we have that problem in middle east.— Head of Dept. Diaspora, MoFA

All the four recruiting agencies contacted during the study also acknowledged the fact that some Ugandans working in the Gulf have been abused, and the females have been the main victims. They however attributed the cases to personal ambitions of the recruits, recruiting agencies that lack transparency and the fake agencies disguising being legit. Below are statements of officials from recruiting agencies on abuse of Ugandans in the Gulf region;

Yes they are there (abuses), and ladies in this case suffer most, such things do happen because of lack of transparency on the side of the recruiting agencies. They do not tell people exactly what they are going to do there. They promise jobs that are not there, then

They exist but they are mostly caused by personal ambitions for instance girls do always yarn for gig chunks of money, so in trying to fulfill their ambitions end up practicing prostitution, or they are given too much work.
Stema Uganda international ltd.

We have heard about them but we have never experienced such. The major cause of such abuses is low payment and also working without contracts. **Security link ltd.**

Government Policy and Support for Ugandans in Arab Gulf States

According to the Head of Diaspora Department, there are no policies per se guiding migration of Ugandans to the Gulf region or any other part of the world, but the Ugandan Government has in place a framework to facilitate those who may wish to go and work abroad. Notable are the recruiting labor firms registered by the Ministry of Labor allowing them to recruit within certain regulations. As noted earlier, up to 25 private external recruitment agencies were licensed by the Ministry of Labor, as of August 2013. The regulations for instance call for a written agreement or contract to be signed by the person being recruited stipulating the details of terms and conditions of what is to be done while in a given Gulf state. Therefore, the Government has no objections to Ugandans going to work abroad so long as it's properly regulated to ensure that the rights of people are not abused abroad. The official noted;

*The agreement [contract] should spell out who is leaving this country, where is he/she going is going to work, what is she/he going to do, how much is he/she going to be paid and for how long.....the most important thing is that it has to be well regulated legal employment we don't want our people to go and live as slaves in the other country and that's what we are fighting for in the fight against human trafficking. **Head of Dept. Diaspora, MoFA***

In 2008, the PLO-MoL revealed that the program of companies that make a link for external jobs was made official in a statutory instrument, The Employment Recruitment of Ugandan Migrant Workers Abroad Regulations, July 2005, and as a ministry they licensed them. He informed of sixteen agencies at the time. He informed that the firms get job orders from abroad and then recruit personnel. They submit the list of recruits to the ministry before they fly out (Nsimbe 2008).

During the study the PLO-MoL further revealed that the president of Uganda during the 2013 Labor Day celebrations expressed intent to set up a fund to assist Ugandans who are willing to go and work in the diaspora. The fund extended to the prospective migrants is to be used as facilitation to be able to afford the air ticket and the first few weeks of their stay in the diaspora, and pay it back later. When abroad, the Ministry of Foreign Affairs provides various services to Ugandans, including consular services ensuring that Ugandans are protected and provided help in case of need to move back home; make it easy for one to acquire travel documents in case they are expired among other services.

The MoFA has also been in touch with a number of associations of Ugandans that are abroad such as one in the UK, Nordic region, Canada and US. He however was not yet aware of one for Ugandans in the Gulf region. He noted that ministry officials always endeavor to attend the annual meetings of the different associations to pass on necessary

information and interact with them as well. The Bank of Uganda official explained noting;

We mainly stop at informing them what has been returned, the main person/office that works directly with Ugandans in diaspora is Ministry of Foreign affairs. We usually attend their functions and provide data basically. Bank of Uganda- Department of Statistics (Transfers Section-Survey Desk)

The Ugandan Government official also highlighted that the Diaspora Department has a website that is being improved to make it more interactive. The purpose of the upgrade is to enable a Ugandan who has run into trouble to post and someone should be able to get the message and respond in real time. The website also provides all the information one needs to know such as the issues of dual citizenship, links to other Ugandan Government agencies such as ministry of internal affairs, Uganda investment authority for those who want to invest back home.

In May 2013, the Ugandan Government announced that it won't be allowing migration of Ugandans seeking employment as domestic workers in any of the Arab countries. The PLO in charge of Research and Statistics, MoL, noted that the decision followed a series of complaints of abuse on domestic workers, especially women employed in the Arab countries such as Qatar, Iraq, UAE and Saudi Arabia, among others.

Government Policy to Encourage Remittance and Investment

All Ugandan Government officials that took part in the study noted that Uganda has liberal economy with no limitations for any person intending to invest in the country. Any one is free to bring in money for investment. Specifically, Ugandans working in the diaspora, like any other Ugandan, have the constitutional right to move in at any time or invest anywhere in the country. They also expressed the existence of a formalized remittance system with several money transfer operators (MTO) such as Western Union and Money Gram, forex bureaus, and banks used by Ugandans in the diaspora to send money.

The economy is liberal, anyone can bring in or take out as much as he/she can or wants. This is where the proposed money laundering law comes in, just to monitor the source of money. Bank of Uganda- Department of statistics (Transfers Section-survey Desk)

The Head of Diaspora Department noted that they work with the Uganda Investment Authority (UIA) to help Ugandans living abroad to invest in the country. He noted that the department links Ugandans in the diaspora with other relevant Ugandan Government agencies who can inform them of the investment opportunities in the country as well as available incentives for them as Ugandans.

those who want to invest can contact us, but some of them don't know and have stayed away for so long....what we do we give them information,

is a fellow [living in USA] who built up an estate of houses, he was treated like a foreign investor...he was giving testimony that if I had known that Ugandans in the diaspora are entitled to certain incentives he would have gone to UIA he would have saved quite some money. So if he had approached us or any of our embassies we would connect him to UIA.

– Head of Dept. Diaspora, MoFA

The Ugandan Government official cited the operational sing of the dual citizenship as a one of the signs of Government of Uganda commitment to encourage Ugandans in the diaspora to invest back home. He noted that with a Ugandan passport he/she will be treated as a Ugandan even if he/she has another passport. He explained further noting;

.....Ugandans living in Diaspora have the same investment rights like any other Ugandan in the country.....we don't treat them a like foreign investor ...so we try to create a policy or an environment that makes it as much easier as possible for them to live well in the diaspora with avenues to report complaints of the abuse but also we want to make it easy to come home. The issue of dual citizenship was an invitation for Ugandans in Diaspora and it was taken up and through constitutional amendment it's now operational. – **Head of Dept. Diaspora, MoFA**

According to the Director of Research, UIA, whereas they don't discourage Ugandans in the diaspora who want to remit money to their families, the authority encourages them to channel more of their money into investment which is more sustainable. To this end, in August 2013, the Ugandan Government agency published a compendium of business and investment opportunity for Ugandans in Diaspora.

[Every idea] is a small one pageif you want to start dairy farm this is what you require and gives you a break down what your profit margin will be.....this is to help somebody in the Diaspora make an informed investment decision, some of them think these things are impossible so you realize that you may only need 20,000 dollars to start something, something you have been thinking is to gradual so we are encouraging Diaspora investment. – **Research Director, Uganda Investment Authority**

As part of Ugandan Government commitment to encourage and recognize remittances for Ugandans in the diaspora, a Bank of Uganda (BOU) official revealed that the Government of Uganda monitors remittances into the country every year, adding that the bank has been conducting household surveys across the country among recipients since 2005. BOU also uses estimates of returns from commercial banks, forex bureau, and money transfer operators to monitor money transfers into the country from Ugandans in the diaspora. The private agencies submit to Bank of Uganda their daily inward and outward transfer figures, which the bank releases monthly in the Balance of Payment (BOP) analytical on the inflows and outflows.

In addition, the BOU official noted that they collect information among Ugandans in the diaspora through corridor studies with an aim of counter checking the responses from recipients of the remittances. These are conducted during annual gatherings organized by Ugandans in the diaspora. He explained:

There diaspora conferences held by different blocks [US, Canada, nordik, UKetc.], we usually decide to attend at least one each year and collect data from the members attending. Bank of Uganda- Department of Statistics (Transfers Section-survey Desk)

Challenges for Ugandan Government

All Government officials acknowledged that having minimal data on Ugandan migrants poses challenges for the Government to plan and provide services to the diaspora. The PLO-MoI noted they are putting up a database to capture details of those that come to the Ministry for recommendation. However this is just a fraction of the many Ugandans that move out, many without passing through the Ministry. He also noted that the database cannot tell anything about what is happening to these people in the countries of destinations and at times can't tell who has completed the move out of the country. He stated that:

We capture those who have gone through licensed agencies and those who have come here but those who have gone on their own and without through licensed companies we don't capture them in our data base. PLO- MoI

The Head of Dept. Diaspora, MoFA, also expressed that lack of actual figures of Ugandans in SS and the Gulf region. He, however, noted that the Ministry was working with the International Organization for Migration (IOM) to profile Ugandans in the diaspora by the end of 2013. This, he believed, will give some idea about Ugandans in the diaspora including South Sudan and the Gulf region, although having no actual figures and where they are makes it difficult to plan. He said:

you have to start by having a profile.... you have to know who are they, how many are they, what do they do , what are their problems.....that's why we go to the conventions and we listen to what are the challenges they face, if they want to come back home or otherwise. Head of Dept. Diaspora, MoFA

The Government official also expressed that the Ministry has faced a challenge of registering Ugandans in the Gulf region because of lack of their cooperation. This might be because some of them migrated illegally and don't want to register for fear of being forcibly returned back home. He emphasized that this wasn't the Ministry's interest or mandate, and the Government embassies only work for their well-being.

The BOU official also expressed a related challenge. He noted that the private agencies do not want to give out the information because (1) MTOs

collect data for business rather than for policy purposes; therefore, the information is not as detailed as it might be needed, and (2) MTO think that the BOU has ulterior motives and hence are hesitant to share information.

Critical and Analytical Interpretation

Characteristics of Ugandans Moving to South Sudan and Arab Gulf States

Based on the description of the study participants, the majority of Ugandans that move to SS are male, with a notable proportion between the ages of 36 and 40 years. Most of them have lower secondary education and therefore may not be able to do professional or highly skilled jobs. A majority of the Ugandans that have moved to SS are also married and household heads. This implies that they have responsibilities to look after the family, a factor that could be attributed to their moving out of the country to make ends meet and be able to provide for their family.

Ugandans moving to the Arab Gulf States are also mainly males and between the ages of 20 and 30 years. Therefore Ugandans moving to the Gulf region are younger compared to those moving to South Sudan. In terms of education, however, a majority of Ugandans moving to AS have attained upper secondary education. Nevertheless, both sets of migrants are not highly educated. Fewer Ugandans moving to AS are married and this could be attributed to their young age at the time of moving. This could also explain the smaller proportion of the group that is household heads.

The above study findings on the description of Ugandan migrants are similar to results from World Bank household surveys. World Bank data shows that African migrants tend to be young, predominantly male adults with some education beyond primary schooling (World Bank 2011). The data also notes that the sex, age, and educational composition of African migrants vary by destination. This is observed in the education and age variations of Ugandans moving to SS and those to AS. The findings also agree with Bakewell (2008) who noted that South-South migration is often dominated by the movement of people with much lower levels of education. The findings are also in agreement with Asian studies of Khadria (2007) and Rahman (2011) who note that educational attainment of the a large majority of the migrants in the Gulf migrants is low is comprised the semi-skilled and unskilled workers.

Movement Trend of Ugandans to SS and AS

A majority of Ugandans moved to SS between 2007 and 2009. This is due to the fact that peace was returning to the country during this period. However, fewer Ugandans made the move after this period. The findings show friends and relatives are a strong facilitating factor for majority of Ugandans that move to SS. Nearly all Ugandans in SS and those that had returned either moved with a friend or a relative, or were helped to move by

the latter. In terms of their visit to Uganda, the majority of Ugandans in SS do return home, mainly to visit family or for business purposes.

The findings show that movement of Ugandans to the Gulf region has been increasing as a whole since 2005. Whereas friends and relatives are a facilitating factor for Ugandan movement to SS, private recruiting agencies are the key facilitating factor for most of the Ugandans moving to the Gulf region. Nearly all of those had returned were being helped or had been helped by a recruiting firm with links in the Gulf region. UAE and Iraq are the two common countries of destination due to a mix of factors.

In terms of duration of stay, the majority of Ugandans work in AS mainly for 2 years and return. This is particularly true for those that move with the help of a recruiting agency because the contract is given for a maximum of two years. This could explain the fact that nearly half of the returnees want or plan return to the Gulf region for work. Ugandans that have stayed longer in AS are mainly those that moved much earlier with help from a friend or relative that are established and are less likely to return to Uganda. In terms of visiting Uganda, the visits are less frequent for Ugandans in AS compared to those in SS. A majority visit Uganda at least once a year, with a notable proportion taking even longer.

The two push factors of Ugandans to either SS or AS are the lack of jobs and not earning enough when there is one. This cannot be denied for a country that has an unemployment rate of 83 percent and a high rate of under-employment among the youth. For pull factors, SS provided easy access, better economic opportunities and presence of relatives and friends. On the other hand, the presence of recruiting agencies has been a major factor in the migration of Ugandans to the Gulf. The agencies are a link to cheaper labor from Africa for companies in the Gulf region that need it. This is in agreements with previous studies on migration to the Gulf regions (see Arnold and Shah 1986; Eelens and Speckmann 1990; Eelens *et al.* 1991; IOM 2004).

Socio-economic Gains of Migration of Ugandans to SS and AS

At the individual level, the move to SS for most Ugandans is how much they earn rather than getting a job. Although a significant minority did not have a job at the time of migration, a majority had a source of income though they earned very little. For those that left for SS with no source of income at all, migration enables them to earn through employment. The majority of those who had a source of income before migrating to SS, on average, earned between zero and UGX400,000 (USD160) per month. After migrating to SS, the majority earned between UGX410,000 (USD164) and UGX800,000 (USD320), with a notable proportion earning UGX810,000 (USD324) and above per month.

For Ugandans who returned from SS, the move has been productive, as over 50 percent have established their own businesses. From their self-

owned businesses, a majority of them earn between UGX410,000 (USD164) and UGX600,000 (USD240) or UGX1,000,000 (USD400) and above per month. A notable proportion also earns between UGX610,000 (USD244) and UGX 800,000 (USD320) per month. These are all above what they earned before they first moved to SS.

For most Ugandans, the move to the Gulf region impacted not only the income earned but provided a badly needed job. For the returnees that worked in the Gulf earlier, their migration in search for employments even of greater impact. Over 50 percent earned UGX1,000,000 (USD400) and above, while a notable proportion earned UGX900,000 (USD360) on average per month, way above what they earned while in Uganda. The least paid person earned UGX 610,000(USD244) per month, still higher than what he/she earned in Uganda. In addition, having returned to Uganda, over 80 percent are self-employed with their own businesses from which a majority earned UGX700,000 (USD280) on average per month, again above what they earned prior to their move.

The impact is even greater for Ugandans currently in AS, with nearly half of them having left Uganda without any source of income: 80 percent currently earn UGX1,000,000 (USD400) and above per month. Therefore, migration to AS did not only provide them with an opportunity to get employed, but also to have employment in relatively high paying jobs as compared to the jobs they would have had in Uganda had they not migrated.

At the household level, migration of Ugandans to SS and the Gulf region impacted their standard of living positively through money transfers. According to BOU annual data, households that received remittances spend over 60 percent on home consumption, and the rest on non-consumption expenditures, mostly business related activities (BOU 2006-2011). Majority of Ugandans that work in SS send money back home either every month or every three months. The average amount sent home is between UGX210,000 (USD84) and 400,000 (USD160) per sending. For a household that has a member in SS, it is likely to receive this amount on average 6 times per year. This implies that such household will receive at least UGX1,260,000 (USD504) or UGX2,400,000 (USD960) in a year for upkeep.

The household impact is slightly greater for Ugandans moving to the Gulf region, as they send slightly higher amounts not only just for family upkeep and education but also for investment in business. Money transfers from the Gulf are also frequent and consistent than their counterparts in SS. Whereas, majority of Ugandans in the Gulf region also send between UGX210,000 (USD84) and UGX400,000 (USD160) per sending (usually every month), a notable proportion sends between UGX410,000 (USD164) and UGX600,000 (USD240). It should be noted that a notable proportion of Ugandans in AS sends up to UGX1,000,000 (USD400) per sending. With transfers from the region more regular, a household with a member

working in the region will, on average, receive money transfers up to UGX3,600,000 (USD1440), UGX6,000,000 (USD2400), or UGX9,600,000 (USD3840) per year. This plays a greater role in improving household living standards for a country that has a large population living on a dollar per day, with over 50 percent under the age of 18 years and youth unemployment rate as high as 83 percent (World Bank 2011).

At national level, both movement of Ugandans to SS and AS contributed to reducing the high unemployment rate in the country. This is not only for those that moved out of the country, but also for those that have returned. The fact that over 50 percent of returnees from both SS and AS is self-employed further underscores the impact of the migration on the unemployment rate in the country. In addition, remittances are a source of much needed hard currency, without which a country cannot maintain regular trading relationships with other nations. And at the macro-level, in addition to the creation of employment for individuals, most of the money transfers made by both sets of migrants are received by their family members and mainly used for family upkeep, and to buy items for daily consumption.

Challenges Faced by Ugandans in the SS and AS

The findings show that both Ugandans in SS and the Gulf region face a number of social challenges, including abuse of human rights. However, Ugandans in SS seem to face more extreme cases abuses, including several reports of killings. From both Ugandans currently working in SS and returnees, in addition to media reports over the years, it leaves little doubt that working in South Sudan is risky despite the large earnings the individual gets. Most of the study participants reported discrimination of foreigners, verbal and physical attacks and a number of killings. Whereas Ugandan Government officials disagree with the contention that the South Sudanese are targeting only Ugandans, they admitted that the environment has not been safe and more needs to be done.

For Ugandan illegal migrants in the Gulf region, there were major challenges, as indicated earlier. However, the challenges documented migrants face are less serious. Nevertheless, reports show that even those who have been recruited legally face risks of being over worked and underpaid in relation to their counterparts from other countries. Regardless, there is a very strong sense of helplessness among the young Ugandan population in need of jobs. Whereas many are aware of the abuses that are being faced by Ugandans in the Gulf, this does not seem to be a reason enough for them to return. Schenkel (2010) has noted that Ugandans scrambled to get jobs in Iraq, even when the salaries were constantly being reduced and the work environment was anything but pleasant.

Government Support and Protection of Ugandans in the Diaspora

Assessment of the Ugandan Government support and protection of Ugandans in SS and the Gulf shows that it was more reactive than proactive. There seems to be no clear policy and support frameworks to protect Ugandan citizens in the diaspora, including SS and AS. Surprisingly, in a number of cases the Ugandan Government has sided less with its citizens. Unfortunately, as pointing figures have continued over the years, cases of human rights abuses have persisted. Further, whereas the Ugandan Government has made efforts to register and license private recruiting agencies, it has been slow in enforcing whether or not the agencies are conforming to agreed standards. Cases of Ugandans being abused or exploited in the Gulf after being recruited by some registered firms have been reported. But no serious actions have been taken. It is, therefore, not surprising that majority of Ugandans do not think the Ugandan Government has done enough to protect its citizens in the diaspora. There are now indications of increased effort and commitment by the Government to protect its migrant citizens. Some members of parliament on a number of occasions have put the Government to task to intervene in the cases of abuses reported by Ugandans both in SS and AS. Unfortunately the Government has been slow to act.

Government Policies to Encourage Remittances and Contribution of Ugandans in the Diaspora

The findings show that the Government is making attempts to encourage remittances and beginning to recognize that Ugandans in the diaspora have a role to play in the country's development. This is depicted in the Governments' provision of investment incentives for Ugandans in the diaspora and the operationalisation of dual citizenship. Furthermore, the Uganda Investment Authority is taking meaningful measures to encourage Ugandans in the diaspora to invest in the national economy through organizing a number of information-sharing events and making available publications of investments opportunities in Uganda. Moreover, through the BOU, the Government has committed to annually monitor and announce remittances from Ugandans in the diaspora. But there are challenges. These, include lack of data on the Ugandan diaspora, limited government capacity and resources to monitor situations in migrant destination countries and to provide assistance in case of need. Diaspora lack of confidence in the Government is also another challenge.

Conclusions

As the Ugandan Government Head of Diaspora Department, MoFA, has noted, migration is inevitable and people will continue to move whether the Government likes it or not. What is important is to put mechanisms and frameworks in place to enable everyone involved to benefit.

The study showed that migration of Ugandans to SS and the Gulf region has been largely positive to the migrants, their families and the country. The movement had a relatively positive impact on remittances inflows, unemployment and under-employment problems, and remuneration from labor in the country. In terms of brain drain or gain, there was no much impact, because the majority of Ugandans moving to SS and AS have taken somewhat similar jobs in destination countries as they would have taken had they stayed (provided there were enough jobs). However, they significantly earned more than they would have earned had they stayed in Uganda.

The study documents the fact that Ugandans in SS and AS have faced a number of social challenges over the years. The study highlights that some of the Ugandans have been trafficked to the Gulf region, sexually abused, over worked, and at times their contracts breached. Though the situation seems to be improving for Ugandans in SS, the environment remains harsh for business. Many Ugandans have faced discrimination, verbal abuse, physical attacks, and in more extreme cases, robbed and murdered.

There has been some Government response to the cases of abuse of Ugandans both in SS and AS, but the study reveals that this has been slow. Whereas the Ugandan Government acknowledged this fact and promised measures to counter the problem, they are still not enough. One more positive note, however, the Government of Uganda seems to have recognized the role Ugandans in the diaspora have to play in national development. In this line, initiatives have been put in place to encourage remittances and Ugandans in diaspora to invest in the country.

In conclusion, the study highlights three key gaps for the Ugandan Government and all other parties interested in improving the migration-development nexus. The three gaps are limited data on Ugandans living in the diaspora and those moving to other countries; the limited capacity and resources of Government agencies to enforce law and monitor Ugandans being recruited by private firms; and the negative attitude Ugandans in the diaspora have towards Government initiatives intended to bring both closer. These need to be tackled by the Government if it is to effectively support and protect, as well as encourage and enable its citizens in the diaspora to contribute to national development.

Recommendations

Specifically in the case of Ugandan migrants to South Sudan, as many study participants noted, the Government of Uganda needs to work more seriously with its counterparts and set up laws to ensure security and human rights of its migrant citizens.

The Ugandan Government needs to come out more strongly on the issue of human trafficking of Ugandans, especially women recruited by agencies. This should begin by setting strict standards for all registered recruitment agencies to adhere to, including the follow-up of its recruits. To enforce

this, the Government may, for instance, set standards for agencies to submit periodic reports on status of recruits in the Gulf. Agencies that fail to conform should have their licenses withdrawn and brought before national courts.

The Ugandan Government will need to be more proactive than reactive to cases of abuses in the Arab Gulf region, as well as harassment of Ugandans in SS. It will further need to be more pro-active than victimizing its citizens, as it has mostly done when it intervened in the past.

The three gaps identified will need to be tackled by the Ugandan Government and its partners. Mechanisms have to be put in place to document as much as possible Ugandans who plan to move to other countries and those living in other countries. The attempt of Government of Uganda and IOM to profile Ugandans in different counties is a step in the right direction. The limited capacity of the Ugandan Government to monitor recruits, especially in the Gulf, also needs to be tackled. A mechanism should be agreed upon with the recruiting agencies and employers that should allow information sharing on the status of Uganda recruits in this part of the world. Finally, the Government of Uganda needs to aggressively and persuasively change the attitude of Ugandans in the diaspora towards Government efforts to register them wherever they are. This will be key for both parties if challenges arise in destination countries.

The Ugandan Government's attempts to encourage investment at home by Ugandans in the diaspora should continue consistently and persistently. The Government will have to think more about incentives to encourage remittance, such as extending tax waivers for certain amounts of remittances for investment by Ugandans in the diaspora.

Note

¹ In 2008, it was reported by the MoL that there were 17 registered external recruitment firms, but only eight were active at the time (Ugandaradionetwork, Dec 2008). During the study, the PLO-MoL revealed that, as of August 2013, there were 26 registered external recruitment firms with the External Employment Unit in the Ministry of Gender, Labor and Social Development.

References

- Adams, W. 1969. *The brain drain*. New York: Palgrave Macmillan.
- Almeida, C. 1973. Emigration, Espaceet Sous-Développement, *International Migration*, 11:112–117.
- Appleyard, R. 1989. Migration and development: Myths and reality. *International Migration Review*, 23:486–499.
- Arnold, F. and N. Shah (Eds.). 1986. *Asian labor migration: Pipeline to the Middle East*. London: West view.
- Bakewell, O. 2008. Keeping them in their place: The ambivalent relationship between development and migration in Africa. *Third World Quarterly*, 29:1341–1358.
- Beijer, G. 1970. International and national migratory movements. *International Migration*, 8:93–109.
- Binford, L. 2003. Migrant remittances and (under)development in Mexico. *Critique of Anthropology*, 23: 305–336.
- Birungi, R. 2012 (May 27). Modern day slavery: ‘You guys, where are you taking us?’ *The Observer*, Uganda.
- BOU and UBOS. 2009. *The Informal Cross Border Trade Survey Report 2008*. July 2009.
- _____. 2006. *In-ward Remittances 2006: Uganda’s Workers Remittance Report 2006*. Bank of Uganda and UBOS.
- _____. 2006. *The Informal Cross Border Trade Survey Report August 2004 to December 2005*, June 2006.
- _____. 2008. *In Ward Remittances 2008: Uganda’s Workers Remittance Report 2008*.
- _____. 2008. *The Informal Cross Border Trade Survey Report 2007, November 2008*.
- _____. 2010. *Uganda Personal Transfers Report 2010: In-Ward Personal Transfers, 2010*. Bank of Uganda and UBOS.
- _____. 2011. *Uganda Personal Transfers Report 2011: In Ward Personal Transfers, 2011*. Bank of Uganda and UBOS.
- _____. 2012. *The Informal Cross-border Trade Survey Report 2011*. July 2012
- De Haas. 2007. Remittances, migration and social development: A conceptual review of the literature. “Social Policy and Development Programme Paper Number 34 October 2007.” United Nations Research Institute for Social Development.
- Delany, M. 2009. Why 10,000 Ugandans are eagerly serving in Iraq: Thousands of men and women from poverty-stricken Uganda risk their lives for \$600 a

- month in Iraq. Contributor to The Christian Science Monitor, retrieved August 22, 2013 from <http://www.csmonitor.com/World/Africa/2009/0306/p04s02-woaf.html/percent28pagepercent29/2>.
- Durand, J., W. Kandel, E. Parrado and D. Massey. 1996. Migradollars and development: A reconsideration of the Mexican case. *International Migration Review*, Vol. 30, No. 2: 423–444.
- Edwards, J. 2012. April 21. Unwanted in Juba, *The Independent*, retrieved September 09, 2013 from <http://www.independent.co.ug/cover-story/5640-unwanted-in-juba#sthash.YsxQIOWo.dpuf>.
- Eelens, F. and Speckmann, J. 1990. Recruitment of labor migrants for the Middle East: The Sri Lankan case, *International Migration Review*, 24:297–322.
- Eelens, F., T. Schampers and J. Speckmann. 1991. *Labor migration to the Middle East: From Sri Lanka to the Gulf*. London: Kegan Paul.
- English People. (2007, August 09). Over 2000 Ugandans join Iraq Gold Rush, retrieved August 22, 2013 from <http://english.people.com.cn/90001/90777/6235937.html>.
- Ghosh, B. 1992. Migration-development linkages: Some specific issues and practical policy measures. *International Migration*, 30:423–456.
- International Organization for Migration (IOM). 2004. Arab migration in a globalized world. Geneva: International Organization for Migration.
- Iraqnam. 2007. (August 09). 168 More join force of 2,000 Ugandan 'Security Contractors' in Iraq, retrieved July 20, 2013 from <http://iraqnam.blogspot.com/2007/08/report-168-more-join-force-of-2000.html>.
- Kaduuli, S. 2008. *Poverty and migration: The Ugandan experience*. Kampala: Africa Leadership Institute.
- Katende, J. 2012. (May 28). Salim Saleh linked to Iraq 'Slavery' Racket. *Uganda Correspondent*, retrieved July 20, 2013 from <http://www.ugandacorrespondent.com/articles/2012/05/salim-saleh-linked-to-iraq-percentE2percent80percent98slaverypercentE2percent80percent99-racket/>.
- Khadria, B. 2007. India: Skilled migration to developed countries, labour migration to the Gulf. In Stephen Castles Raúl Delgado Wise (Eds.), *Migration and Development: Perspectives from the South*. Jawaharlal Nehru University, New Delhi, and Asia Research Institute and the Department of Economics National University of Singapore, International Organization for Migration (IOM).
- Kigambo, G. and E. Kabona. 2005. 10,000 Ugandans to work as mercenaries for USA in Iraq.

- Kindleberger, C. 1965. *Europe's postwar growth: The role of labor supply*. New York: Oxford University Press.
- Ladu, I. 2013. (August 22). 1600 jobless as S Sudan Bans Ugandan Boda Bodas, *The Daily Monitor*, retrieved July 20, 2013, from <http://www.monitor.co.ug/News/National/1+600+jobless+as+S++Sudan+bans+Ugandan+boda+bodas/-/688334/1963000/-/110hqvsz/-/index.html>.
- Lewis, J. 1986. *International labour migration and uneven regional development in labor exporting countries*. UK: Durham.
- Lipton, M. 1980. Migration from the rural areas of poor countries: The impact on rural productivity and income distribution. *World Development*, 8: 1–24.
- Lubwama, S. 2011. (June 09). Ugandan Iraq slaves sue State, *The Observer*, retrieved July 20, 2013 from http://www.observer.ug/index.php?option=com_content&view=article&id=13783:ugandan-iraq-slaves-sue-state&catid=34:news&Itemid=114.
- Lucas, R. and O. Stark. 1985. Motivations to remit: Evidence from Botswana. *Journal of Political Economy*, 93: 901–918.
- Matsiko, Grace. 2006. (May 11). 600 Ugandans in Iraq may have faced abuse, written, first appeared in the independent Ugandan newspaper the Monitor. It has been edited for republication here by Human rights house/ NivatitiNandujja and Niels Jacob Harbitz, Thursday, 11 May 2006, retrieved July 20, 2013 from <http://humanrightshouse.org/Articles/7315.html>.
- Mogga, A. 2013. (August 21). Ugandans complain after South Sudan Boda Boda Ban, *Voice of Africa*, retrieved September 09, 2013 from, <http://www.voanews.com/content/uganda-south-sudan-boda-boda-ban/1733743.html>.
- Mulumba .D and W. Olema. 2009. Policy Analysis Report: Mapping migration in Uganda.
- Nabulya, R. 2013.(August 19). Ugandan traders announce strike in South Sudan, *Chimpreports*. Retrieved September 20, 2013, from <http://chimpreports.com/index.php/mobile/news/12269-ugandan-traders-announce-strike-in-s-sudan.html>.
- Ngugi, R. and E. Sennoga. 2011. *Remittance markets in Africa: Uganda Chapter 9*. Washington, D.C.: World Bank.
- Nsimbe, J. 2008. (August 13). Jobless find hope in Dubai business. *The Observer*, retrieved July 20, 2013 from http://www.observer.ug/index.php?option=com_content&view=article&catid=38percent3Abusiness&id=759percent3Ajobless-find-hope-in-dubai&Itemid=68.
- Penninx, R. 1982. A critical review of theory and practice: The case of Turkey. *International Migration Review*, 16: 781–818.

- Puentes, R., A. Canales, H. Rodríguez, R. Delgado-Wise and S. Castles. 2010. Towards an assessment of migration, development and human rights links: Conceptual framework and new strategic indicators. Peoples' Global Action on Migration, Development, and Human Rights IV Global Forum, November 2010, Mexico City.
- Rahman, M. 2011. Recruitment of labour migrants for the Gulf States: The Bangladeshi case. *ISAS Working Paper no. 132*, 6.
- Ratha, D. and W. Shaw. 2007. South-South migration and remittances. *World Bank Working Paper*. Washington, D.C.: World Bank.
- Reichert, J. 1981. The migrant syndrome: Seasonal U.S. labor migration and rural development in Central Mexico. *Human Organization*, 40:56–66.
- Rhoades, R. 1979. From caves to main street: Return migration and the transformations of a Spanish village. *Papers in Anthropology*, 20:57–74.
- Rubenstein, H. 1992. Migration, development and remittances in rural Mexico. *International Migration*, 30:127–153.
- Russell, S. 1992. Remittances from international migration: A review in perspective. *World Development*, 14:677–696.
- Rutaremwya, G. 2011. *Internal and international labor migration in Uganda: The contribution of remittances to household livelihoods*. ISAE-Makerere University.
- Schenkel, M. 2010. Africans working in Iraq see opportunity and exploitation, retrieved July 20, 2013, from http://vorige.nrc.nl/international/article2481336.ece/Africans_working_in_Iraq_see_opportunity_and_exploitation.
- Stark, O. and D. Levhari. 1982. On migration and risk in LDCs. *Economic Development and Cultural Change*, 31:191–196.
- Stark, O. 1978. Economic-demographic interactions in agricultural development: The case of rural-to-urban migration. Rome, Food and Agriculture Organization of the United Nations.
- Stark, O. 1991. *The migration of labor*. Blackwell, Cambridge and Oxford.
- Sunrise. 2010a. (October). Otafiire defends Sudanese over alleged harassment of Ugandans, retrieved September 09, 2013, from <http://www.sunrise.ug/opinions/letters/1391-otafiire-defends-sudanese-over-alleged-harassment-of-ugandans>.
- Sunrise 2010b. (May). Uganda Sudan trade turns ugly, retrieved September 09, 2013, from <http://www.sunrise.ug/magazine/dr-love/617-uganda-sudan-trade-turns-ugly>.
- Taylor, J. and T. Wyatt. 1996. The shadow value of migrant remittances, income and inequality in a household-farm economy. *Journal of Development Studies*, 32:899–912.

- Taylor, J. 1999. The new economics of labour migration and the role of remittances in the migration process. *International Migration*, 37:63–88.
- The Daily Monitor*. 2011. (April 2). Ugandans tricked into domestic slavery in Iraq, BBC Saturday. Retrieved July 20, 2013, from <http://www.monitor.co.ug/News/National/-/688334/1137032/-/item/1/-/ip89r6z/-/index.html>.
- The New Vision* 2013. (April 23). Ugandans killed in South Sudan. Retrieved September 09, 2013 from <http://www.newvision.co.ug/news/641956-ugandans-killed-in-south-sudan.html>.
- The Red Pepper*. 2013.(August 26). Ugandan Boda Boda riders flee Juba over harassment, retrieved July 20, 2013 from, <http://www.redpepper.co.ug/22330/>.
- . 2013. (May). Government: No Ugandans to work for Arab countries. Retrieved July 20, 2013 from <http://www.redpepper.co.ug/govt-no-ugandans-to-work-for-arab-countries/>
- Todaro, M. 1969. A model of labor migration and urban unemployment in Less-Developed Countries. *American Economic Review*, 59:138–148.
- UNHCR (United Nations High Commissioner for Refugees). 2010. Global trends. Division of Programme Support and Management, Geneva. Retrieved July 20, 2013 from <http://www.unhcr.org/4c11f0be9.html>.
- Womakuyu, F. 2011. (February 7). Uganda locals earning big from trade with South Sudan, AllAfrica. Retrieved July 20, 2013 from <http://allafrica.com/stories/201102080125.html>.
- World Bank. 2011. *Migration and Remittances Factbook 2011*. Washington, DC.: World Bank.

CHAPTER FOUR

International Migration in Ethiopia: Challenges and Opportunities

Endalew Addis

International Migration in Ethiopia and its Significance

The number of international migrants, or people residing in a country other than their country of origin, has increased more or less linearly for 40 years, from an estimated 76 million in 1965 to 188 million in 2005 (Taylor 2006). Additionally, every year, more than 5 million people cross international borders to live in developed countries (UNDP 2009). At present, international migrants number about 232 million (UN-DESA and OECD 2013). As a result, international migration has become one of the top global political agenda (Chamie and Dall’Oglio 2008).

Moreover, over the next few decades, international migration is likely to transform in scale and complexity due to growing demographic disparities, the effects of environmental change, new global political and economic dynamics, technological revolutions and social networks. These transformations will be associated with increasing opportunities from economic growth and poverty reduction to social and cultural innovation. They will also exacerbate existing problems and generate new and complex challenges, including irregular migration and the violation of the human rights of migrants. As a result, most countries in the world need to be able to effectively manage cross border mobility of persons (WMR 2010).

In international migration there are three actors: migrants, migrant countries of origin, and migrant destination countries (De Haas 2008). Most of the origin countries are developing countries in Africa, Latin America and Asia (Teshome 2010; Abdu 2009). On the other hand, the destination areas are developed or wealthy countries, mainly the United States of America (USA), Canada and European countries (World Bank 2008), and Arab Gulf countries of the Middle East (Abdu 2009). All three actors face challenges and opportunities associated with international migration (UNDP 2009).

Migrants face challenges and opportunities both at the place of origin and destination. At the place of origin, migrants (documented or undocumented) need to raise a large amount of money to finance their transfer to destination countries (Messay 2005 cited in Teshome 2010). If successful, however, migrants can benefit by investing some of the

remittances at home. They also acquire much needed skills and knowledge (Özden and Schiff 2006). At the place of destination, it is argued that newcomers are seen as 'taking jobs', adding an unwanted extra burden to public services in areas, such as health and education, creating social tensions with local people or other immigrant groups and even engaging in criminal behavior (UNDP 2009). In addition, migrants also face human right violations and brain waste in places of destination (Grant 2005; Özden and Schiff 2006). However, most migrants reap gains in the form of higher incomes, better access to education and health, and improved prospects for their children in the countries of destination (UNDP 2009).

The opportunities for destination countries include mitigation of labor shortage, where migrant workers usually take on jobs that are not attractive to national workers, yet in demand in the labor market (Chammartin 2004). Thus, migration can bring substantial macro-economic benefits to destination countries through mitigation of labor shortages. However, international migration may undermine local wages and working conditions, and create social and security problems.

Countries of origin also face challenges as well as opportunities. As an opportunity, key benefits include the positive impact of remittances on poverty reduction, foreign reserves and the balance of payments; knowledge and skills-transfer when migrants return home on a temporary or permanent, virtual or physical basis; relief from unemployment and underemployment; and increased levels of local entrepreneurship through new opportunities for the private sector. In addition, migrants often contribute to modernization, democratization and respect for human rights, whether from abroad or upon return. On the other hand, there are negative effects, like dependency of the family's and country's economy on the remittances of migrants, and the brain drain that can occur as a result of skilled emigration.

About one fifth (nearly 20 million) of the global total labor migrants are Africans. By 2015 one out of ten African workers will be living and working outside his or her country (WHO 2003). Particularly, highly skilled professionals including doctors, paramedical personnel, nurses, teachers, engineers, scientists and technologists have migrated because they were attracted by relatively higher salaries and better living conditions in different parts of the world (Adepoju 2008). And Ethiopia, being one of African sending countries, faces both challenges and opportunities. Some of the challenges are brain drain (the migration of skilled manpower), mainly scientists, physicians, engineers and nurses (Fransen and Kuschminder 2009), and bad image building through human rights abuses of its citizens in transit countries, especially those who migrate to South Africa and the Middle East (Teshome 2010; Abdu 2009). On the other hand, international migration has opportunities for Ethiopia by reducing unemployment rates, acquiring hard currency through remittance and raising skill levels through return migrants (Fransen and Kuschminder

2009). But there are challenges, including abuse of the rights of the migrants, especially female Ethiopian migrants in the Middle East (Abdu 2009; Teshome 2010).

Thus, international migration can be both challenge and an opportunity for the receiving countries, migrants themselves and sending countries, and this is true for Ethiopia. Accordingly, this study on international migration in Ethiopia examines the challenges and opportunities of international migration to help find ways to minimize the former and maximize the latter. Indeed, Ethiopia benefits from its international migrants through remittance flow, which constitutes about 1.3 percent of its gross domestic product (World Bank 2011), as opposed to, say, Morocco's 8.1 percent in 2006 (World Bank 2006). That is, Ethiopia has not fully tapped its potentials for mobilizing remittance inflows, which are estimated to be only about one-sixth of the remittances that could be mobilized potentially (Dejene 2005). Cognizant of this, Ethiopia is currently working to engage the Ethiopian Diaspora to contribute to the betterment of themselves/their family and the nation with remittances, knowledge and skill transfers, and trade promotions.

Maximizing the benefits to be had from the migration of its citizens is imperative because Ethiopia has high levels of poverty and unemployment rates (Fransen and Kuschminder 2009). In addition, its labor force has been showing rapid increases, from 14.7 million in 1984 to 26.5 million in 1994 and further to 33 million in 2005 (MoLSA 2009). However, employment creation for such a rapidly increasing labor force (4.4 percent per annum) has become increasingly challenging (MoLSA 2009). As a result, many are migrating to different corners of the world, including neighboring Kenya, Djibouti and Sudan (World Bank 2008); other African countries, mainly South Africa (Teshome 2010); Middle Eastern countries, such as Qatar, Kuwait, Saudi Arabia, Lebanon, Syria, Dubai and Bahrain (Abdu 2009); and Western countries, mainly North America (USA and Canada) and Europe (Germany, Italy and Sweden) (World Bank 2008).

Therefore, Ethiopian international migration is creating different challenges, such as human rights abuses in transit and destination countries, and brain waste/drain for the migrants and the nation. In response, different scholars have conducted some studies, including Fransen and Kuschminder (2009) on the history, current trends and future prospects of migration in Ethiopia; Teshome (2010) on the causes and consequences of irregular migration of young adults to the Republic of South Africa; and Abdu (2009) on the socioeconomic and demographic characteristics of Ethiopian emigrants to the Middle East. However, the challenges and opportunities of international migration are not studied in a comprehensive manner, particularly focusing on the three major destination areas (Middle East, South Africa and Western countries). Furthermore, there is no information that deals with the experiences and best practices of different countries in

the world to manage properly the international migration in Ethiopia through appropriate policy responses.

Therefore, this evidence-based study is intended to provide information for different stakeholders, such as migrants, migrants' families and the government through a comprehensive examination of the different challenges and opportunities of international migration of Ethiopians to the Middle East, South Africa and Western countries, focusing on the following questions: (1) What are the demographic and socio-economic characteristics of Ethiopian migrants? (2) What is the impact of remittance flow to Ethiopia and Ethiopians? (3) How do Ethiopians benefit from international migration through brain gain and technical know-how and what are the effects of brain drain on Ethiopia? (4) What type of human rights violations do Ethiopians face? (5) What are the successes and challenges of policy responses of international migration in Ethiopia?

Review of the Relevant Literature

Theoretical Perspectives

There are various theories of migration focusing on causes, consequences, determinants, characteristics, processes and effects of migration at the areas of origin, areas of destination and the migrants themselves. Some of these are the neo-classical equilibrium perspective, historical-structural theory, social network theory, systems theory, and pluralist views on migration and development.

According to the neo-classical equilibrium perspective, people move from low income to high income areas. They also move from nearby to distant places and from densely to sparsely populated areas (Skeldon 1997). The first scholarly contributor to migration theory, Ravenstein, saw migration as an inseparable part of development and asserted that the major causes of migration were economic (Ravenstein 1889 cited in De Haas 2008). At the macro-level, neo-classical economic theory explains migration in terms of the supply and demand for labor in different geographical areas. The resulting differentials in wages cause workers to move from low-wage, labor-surplus regions to high-wage, labor scarce regions. Migration will cause labor to become less scarce at the destination and scarcer at the sending end. Capital is expected to move in the opposite direction (Schiff 1994).

At the micro-level, neo-classical migration theory views migrants as rational actors, who decide to move on the basis of a cost-benefit calculation. Assuming free choice and full access to information, they are expected to go where they can be the most productive, that is, are able to earn the highest wages. This capacity obviously depends on the specific skills a person possesses and the specific structure of labor markets (De Haas 2008). However, neo-classical equilibrium perspective has been criticized for various reasons, including its dependence on distance for

explaining migration, ignorance of the existence of market imperfections and other structural constraints on development (De Haas 2008).

A radically different interpretation of migration is provided by the historical-structural paradigm. It postulates that (1) economic and political power is unequally distributed among developed and underdeveloped countries, (2) people have disproportionate access to resources, and (3) capitalist expansion has the tendency to reinforce these inequalities. Subsequently, instead of modernizing and gradually progressing towards economic development, underdeveloped countries are trapped by their disadvantaged position within the global geopolitical structure (De Haas 2008). Among other things, historical-structuralists have been criticized for being too determinist and rigid in their view of individuals as victims that passively adapt to macro-forces, thereby largely ruling out individual agency (Sen 1999).

Social network theory takes factors, such as the role of nation states, geographical proximity, institutions, social networks, and cultural and historical factors in creating new migration patterns to explain international migration. De Haas (2008) specifically noted that once a certain critical number of migrants have settled at the destination, it reduces the risks as well as material and psychological costs of subsequent migration. Hence through the assistance of friends and relatives, new migrants may be able to obtain information and receive active assistance in finding employment and a place to live, in arranging residence papers, or in finding a marriage partner more easily (Böcker 1994). Therefore, the formation of an established migrant community at one particular destination will increase the likelihood of subsequent migration to that particular place (Appleyard 1992). However, social network theory has been criticized because it did not offer insight into the mechanisms that eventually lead to the weakening and crumbling of networks and migration systems (Massey *et al.* 1998).

Migration systems theory fundamentally assumes that migration alters the social, cultural, economic, and institutional conditions at the sending and receiving ends (De Haas 2008). According to this theory, the entire development activities are operating within the arena of migration processes. In addition, migration systems theory goes further and stresses that migration does not only affect but is also affected by the direct social environment of migrants. Although migration systems theory seems superior to neo-classical theory and structuralist approaches which view migration and development as substitutes rather than complements, it is also criticized for various reasons particularly with respect to the unit of analysis that it has employed (i.e., individuals) (De Haas 2008).

A general paradigm shift in social theory that sought to harmonize actor- and structure-oriented approaches and which deeply affected the migration-development nexus occurred in the second half of the 1980s. The main contribution to thinking on migration and development came from the new economics of labor migration (NELM) theory. Combined with what is

known as the livelihood approaches, as well as recent perspectives on migrant transnationalism, the NELM provides a more nuanced perspective on migration and development. This approach integrates structure and actor perspectives, and gives room for explaining and interpreting the reciprocal and heterogeneous relationship between migration and wider development processes (De Haas 2008). In such a “pluralist” approach, the results of the structure-actor interactions allow for a greater variety of outcome than would have been allowed from either the single aggregation of individual decision making (Skeldon 1997), or from the unidirectional imperatives of structures (De Haas 2008). It was particularly Stark (1991) who revitalized thinking on migration in and from the developing world by placing the behavior of individual migrants in a wider societal context and by considering not the individuals, but the family or the household as the most appropriate decision-making unit. More specifically, international migration is considered as part of a broader household livelihood strategy to diversify income sources and overcome social, economic, and institutional development constraints in the place of origin (De Haas 2008).

This study strives to see both the positive and negative effects of international migration in Ethiopia on different stakeholders, including migrants, migrants’ families and the nation. Although each of the above mentioned theories of international migration has explained different aspects of the challenges and opportunities of international migration in Ethiopia, the pluralist approach is applied in this study due its comprehensive nature in examining the various interrelated issues on international migration in Ethiopia because, as will be argued, the results of international migration in Ethiopia are a combined effect of both the structure and agency.

Empirical Literature Review

Legal and illegal international migrations in the form of human trafficking and smuggling have increased globally these days. Accordingly, challenges and opportunities of international migration have become complex as they are in turn affected by various factors such as the types of migration, gender dimension and other socio-economic characteristics of the migrant, and types of destination areas. Subsequently, various countries have responded through different policies and strategies. In response to these, scholars have studied different aspects of international migration with spatial and temporal differences.

Brain Drain, Brain Waste and Human Rights Violations as Challenges

Studies have shown that international migration has different challenges such as brain drain (the migration of skilled people), brain waste and human rights violations (Özden and Schiff 2006; Adepoju 2008; Dzvimbo 2003; Grant 2005). Although the largest stocks of educated emigrants are

from Europe (specifically the United Kingdom, Germany, and Italy), there has recently been large volume of migration of skilled (and unskilled) workers from developing to developed countries. This raises the question as to how these valued workers affect the countries they leave. Critics argue that too much skilled emigration can undermine a developing nation's productive capacity. The degree to which this occurs evidently depends on the scale of permanent emigration, the offsetting feedback effects that it generates, and the evolution of the global economy (Lowell and Findlay 2001). Moreover, international migration "skims off" skills while at the same time damaging certain sectors of sending countries, particularly the health care sector (Holzmann and Münz 2004).

Africa has been particularly hit hard by the migration of its skilled citizens, who were unable to find good jobs after graduating. This is because its economy has been unable to absorb the increased number of graduates in different fields (Adepoju 2008). Also, many of those who are sponsored to do post-graduate studies in technology, science and engineering abroad are staying away at the end of their studies rather than coming back home to create self-initiated jobs (UN 2003). As young Africans often dream of a better future and leave their country in pursuit of this dream (Dejene 1998), it is difficult for a poor country such as Ethiopia to create a stable and work-friendly environment for highly-skilled society members. This, in combination with increasing opportunities elsewhere due to a globalizing world, leads to an outflow of skilled people (Reinert 2006). For instance, Ethiopia is one of the countries in the world most affected by medical brain drain (El-Khawas 2004), and this has resulted in lack of adequate skilled medical staff in the country.

The migration of health workers is often claimed to be extremely harmful for sending countries, and is said to have created labor shortages in the health sectors in countries such as Ghana and South Africa. But there is limited data available to underpin such claims. On the contrary, a recent study using a new database of health worker emigration from Africa suggested that Africa's generally low health staffing levels and poor public health conditions are the result of factors entirely unrelated to international movements of highly trained health professionals. Such factors include unattractive working conditions in the public health sector and the failure to provide basic health services, which do not require highly trained personnel to deliver (Clemens 2007).

Ethiopia is one of the countries in the world most affected by a so-called 'medical brain drain'. It is posited that many Ethiopian medical doctors migrate to work in Europe and North America, which results in a lack of skilled medical staff in Ethiopia (El-Khawas 2004). The number of emigrated Ethiopian medical professionals is about 30 percent (Clemens and Petterson 2007) of all medical professionals trained in Ethiopia. Moreover, the emigration rate of tertiary educated individuals of most developing countries like Ethiopia is estimated at 17.0 percent (Docquier

and Marfouk 2005). This, combined with the fact that educational attainment in Ethiopia in general is still very low compared to the education levels of other African countries, and the fact that highly-educated professionals are few leads to a substantial shortage of the skilled work force in Ethiopia (Berhanu *et al.* 2004, as cited in Fransen and Kuschminder 2009).

The special vulnerability of migrants stems from the fact that they are not citizens of the country in which they live. This dissociation between nationality and physical presence has many consequences. As strangers in a society, migrants may be unfamiliar with the national language, laws and practice, and so less able than others to know and assert their rights. They may face discrimination, and be subjected to unequal treatment and unequal opportunities at work and in their daily lives. They may also face racism and xenophobia. In times of political tension, they may be the first to be suspected – or scapegoated – as security risks. In some countries, the national laws do not protect migrant workers, and in any case migrants are more likely to work in sectors where labor standards are not applied, or even not applicable (Grant 2005). In other words, migrants are extremely vulnerable because of (1) threats or actual physical harm to the worker; (2) restriction of movement and confinement, to the workplace or to a limited area; (3) debt bondage, where the worker works exclusively to pay off a debt to the employer or loan; (4) withholding of payment or excessive wage reductions; (5) retention of passports and identity documents, so that the worker cannot leave or prove his/her identity and status; and (6) threat of denunciation to the authorities, where the worker is in an irregular immigration status (Grant 2005).

As to preservation of human rights among migrants, violations and labor exploitation in male-dominated sectors are well-documented and more visible since men usually work in groups in construction and agriculture (Esim and Smith 2004). On the other hand, violations and exploitation against women migrant workers are less known since they are likely to occur at an earlier stage of the migration process or in more invisible situations. These violations include demand for higher payments from agencies, greater exposure to robbery, frequent violations of physical integrity (punishments, intimidations, ridicule, and humiliations) and sexual harassment. Since women migrant workers often go into individualized and unregulated work environments (e.g. domestic service), data on migrant women in the invisible occupations like domestic work are not readily available (Esim and Smith 2004).

As a result, there is a major obstacle in researching human rights violations, as there is lack of information on types of violation, the places where they occur, and their characteristics. Violations have been generally under recorded. This is due to the fact that migrants are less likely than citizens to place their jobs at risk by reporting violations by employers. Under-

recording is greater, where the migrants are irregular or marginal (Grant 2005).

Migrants also face difficulties in enforcing their rights. Many migrants are socially and economically marginalized, living in poor, physically segregated communities and oftentimes without access to social services. Many migrants work in what are commonly referred to as “dirty, difficult and dangerous jobs.” They can be powerless to obtain health-care services, which is especially problematic because migration is associated with an increased susceptibility to health risks. Moreover, effective access to the legal system is often hampered by linguistic and cultural obstacles, fear of public institutions and ignorance on their part of human rights principles and State practice. Where effective remedies are non-existent or inaccessible at the national level, international justice remains elusive because of the lack of effective enforcement mechanisms and monitoring activities. Often enough, deportation cuts short attempts to seek legal redress for rights violations (UNFPA 2004).

The status of migrants in their new country will vary widely: they may be legal migrants, admitted on the basis of employment or family with the right to settle and become naturalized; students or temporary guest workers required to leave when their studies or their contract expire; or irregular migrants, including refused asylum seekers, who are liable to arrest and removal at any time. While all enjoy certain basic rights, including non-discrimination, other entitlements are usually determined by their immigration status (Grant 2005). Where a migrant enters another country illegally, or enters legally and subsequently loses any legal immigration status, his or her vulnerability to abuse and exploitation sharply increases. The more illegal a migrant, the greater is the danger of the journey, or of being exploited, or even enslaved by traffickers and unscrupulous employers (Grant 2005). Women tend to experience the most unfavorable conditions of work and run the highest risk of exploitation because they work as maids, isolated from others. Serious problems they commonly face include debt bondage, passport retention, illegal confinement, rape and physical assault (Grant 2005).

There are different challenges in addressing human rights violations. One of the main challenges in the protection of the human rights of migrants is the ratification, implementation and enforcement of existing human rights instruments. Inequality and discrimination persist and the objective of universal ratification has not been achieved. The challenge is to protect the rights of migrants by strengthening the normative human rights framework affecting international migrants and by ensuring that its provisions are applied in a non-discriminatory manner at the national level. In many cases, migrants’ rights are undermined because the legal and normative framework affecting migrants is not well articulated, or because officials are not familiar with the framework and do not know how to put it into practice, or monitor its implementation and implications thereof. It is

essential to create awareness of migrants' rights and build national capacity to formulate and implement migration policy that respects the human rights of migrants (GMG 2008).

Evidence shows that some Ethiopian domestic workers are suffering from mental illness because of physical, psychological, sexual and economic abuses by their employers. For instance, a study conducted by Emebet reveals that several Ethiopian domestic workers in the Middle East acquire injuries when their male employers try to rape them. However, the victims cannot report these assaults to the police because of bias for nationals and fear of blame by spouses for seducing their husbands (Emebet 2002).

Remittance Flows, Brain Gain and Technology Transfer as Opportunities

The total global volume of remittance transfers to developing countries far exceeds official development assistance (ODA) and has important macro-economic effects by increasing the total purchasing power of receiving economies (AU 2006). In recent years, foreign direct investment and capital market flows to developing countries have decreased, so that the only financial flow to developing countries that is still on an upward path are remittances (Martin 2004). African countries receive significant amounts of remittances relative to the sizes of their GDP. Remittances are used by migrants' families to meet daily subsistence needs, health and education, but are also invested in improvements to land, homes, entrepreneurial activities, etc. (AU 2006).

Accordingly, policy makers and scholars of migrant-sending societies have made remarkable renaissances in the past few years to promote the issue of migration and development (Fransen and Kuschminder 2009). This interest has been triggered by strikingly increasing the flow of remittances. Remittances sent back to developing countries rose from USD31.1 billion in 1990, to USD76.8 billion in 2000, and to USD167.0 billion in 2005 (Kapur 2003), and was based on a growing belief that remittance is the most effective instrument for income redistribution, poverty reduction and economic growth than an extensive bureaucratic development programs or development aid (Kapur 2003).

Generally there are economic and social remittances from international migration. While economic remittances include improving livelihoods, increasing demand and stimulating production, technology transfer and the return of the high skills; social remittances include the transmission of knowledge and development-friendly attitudes with ideas, behaviors, and social capital that flow from receiving- to sending-country communities by migrants and returnees. However, on the negative side, the absence of young men and women in their most productive years can have negative effects on social change and economic growth (Castles and Wise 2008).

Remittance has the protective role of co-insurance and risk spreading at the micro level. More importantly, in line with NELM and livelihood approaches, most recent empirical research supports the view that labor migration, rather than being a response to destitution or absolute poverty is a livelihood strategy pursued by social groups (typically households) in reaction to relative deprivation (Quinn 2006; Hampshire 2002) to spread livelihood risks, secure and increase income and acquire investment capital. Moreover, remittances are central elements of such household strategies to overcome local development constraints. Hence, remittances can simultaneously be seen as (1) the return to household investments in migration, (2) part of a household risk diversification strategy (co-insurance through risk spreading, securing inheritance claims), and (3) a source of investment capital that can be used for entrepreneurial activities, education or to facilitate the migration of other household members (De Haas 2007).

Furthermore, remittances have also a macro level impact. On the national level, there is substantial evidence that remittances are an increasingly important and relatively stable source of external finance that often play a critical social insurance role in countries afflicted by economic and political crises (Kapur 2003). Remittances have proved to be less volatile, less procyclical and, therefore, a more reliable source of foreign currency than other capital flows to developing countries, such as foreign direct investment and development aid. It is claimed that remittances are nearly three times the value of the official development assistance provided to low-income countries and that they comprise the second largest source of external funding for developing countries after foreign direct investment. It can also be argued that the actual importance of remittances is even higher than official figures show, as many remittances are sent through informal channels (De Haas 2007).

Consequently, the spending of remittances can generate jobs. Most studies suggest that each USD1 in remittances generates a USD2 to USD3 increase in GDP, as recipients buy goods or invest in housing, education, or health care, thereby improving the lives of non-migrants via the multiplier effects of remittance spending. Research suggests that the exit of men in the prime of their working lives initially leads to reduced output in local economies, but the arrival of remittances can lead to adjustments that maintain output. For example, migrant families can shift farming operations from crops to livestock, which require less labor, hire labor to produce crops, or rent crop land to other farmers, enabling them to achieve economies of scale (Martin 2004).

Because of the important contribution of remittances to welfare, it has been argued that remittances are a safety net for relatively poor areas (Jones 1998). This “private” foreign aid seems to flow directly to the people who really need it, does not require a costly bureaucracy on the sending side and “far less of it is likely to be siphoned off into the pockets of corrupt government officials” (Kapur 2003). While there is certainly an element of

truth to this logic, there is also a clear danger of unrestrained optimism concerning the potential of remittances to reduce poverty and inequality. First, there is a tendency to overestimate the effects of remittances: indeed, while international migrants comprise only about 3 percent of the world's population, remittances represent only 1.3 percent of total gross domestic product (GDP) of all developing countries (Ratha 2003). Secondly, because of the costs and risks associated with migration, the poorest may not migrate mostly (Kapur 2003).

Contrary to this, some scholars argue that although most international remittances do not flow directly to the poorest people, remittances often make up an important share of the income of poor people and poor communities. Moreover, non-migrant poor might be affected indirectly (positively or negatively) through the economy-wide effects of remittance expenditure on wages, prices and employment in migrant sending communities (Taylor et al. 1996). Consequently, most studies conclude that international remittances have reduced poverty either directly or indirectly (De Haas 2007).

The other issue that needs to be considered is the interrelationship between remittance and investment. Perhaps the most common reason for skepticism on migration and development has been the widespread belief that migrants rarely invest their money in productive enterprises, but instead spend it on consumption or non-productive investments. A recent report commissioned by the European Investment Bank concluded that "remittances remain primarily used for daily expenses and therefore do not have large developmental impact" (European Investment Bank/Facility for Euro-Mediterranean Investment and Partnership, 2006). Such views usually underpin ideas that governments should develop policies to "channel" remittances into productive investment (Zarate-Hoyos 2004). On the other hand, most studies seem to suggest that households receiving international remittances have a higher propensity to invest than non-migrant households when controlling for income and other relevant household variables (De Haas 2007). Rapoport and Docquier (2005) cite several studies indicating that there is considerable evidence that remittances promote access to self-employment and increase investment in small businesses.

As with poverty and inequality, the impact of remittances on investments and economic growth in migrant-sending communities tends to change over time. In a study of the effects of temporary labor migration from five African countries to South Africa's mines on agricultural production in the countries of origin, Lucas (1987) concluded that migration diminishes domestic crop production in the short run, but enhances crop productivity and cattle accumulation through invested remittances and increased domestic plantation wages in the long run. A recent study of Turkish remittances shows that whereas consumption smoothing is an effective short-run motive for sending remittances, the investment motive is important in the long run (Alper and Neyapti 2006). Also, Taylor (1994)

found village economy-wide evidence that the combination of lost labor effects and positive remittances effects may negatively affect production in migrant staging areas initially, but eventually have a positive effect.

The short-term effects of migration on livelihoods and household production in sending communities are often negative due to the immediate lost-labor effect. It is often only at a later stage when the migrant has more or less settled at the destination, has found relatively secure employment, and most of the basic needs of the household “back home” are fulfilled that there is more room for investments. It is only at these later stages that migrants tend to invest their money in commercial enterprises such as agriculture, large-scale housing, commerce, and so on. However, the extent to which they will invest at all depends on more general investment conditions (De Haas 2007).

Furthermore, remittances have indirect economic effect on migrant-sending communities. Although, research has tended to negatively evaluate consumptive expenses as non-developmental, they can have positive impacts by providing non-migrants with labor and income. This is confirmed by empirical evidence that consumption by migrant households can lead, via multiplier effects, to higher incomes for non-migrant households (Durand *et al.* 1996). The same holds true for the so-called “non-productive” investments, where construction activities can generate considerable employment and income for non-migrants (Taylor *et al.* 1996), and other expenses, such as feasts and funerals (Mazzucato *et al.* 2006). In this way, the benefits of remittances might accrue to households other than the ones that directly receive them (Taylor 1999).

Furthermore, in addition to remittances, migrants can steer foreigners’ investments to their countries of origin and persuade their foreign employers to buy products from their countries of origin. For example, professionals abroad can be important sources of remittances for their countries of origin and can also steer other investments. Having migrant’s abroad increases travel and tourism between countries, as well as trade in ethnic foods and other home-country items (Martin 2004).

With regards to Ethiopia, one of the positive effects of the out-migration of Ethiopians is the inflow of remittances from Ethiopian emigrants. Being one of the poorest countries in the world, remittances constitute a large share of foreign capital inflows in Ethiopia (Reinert 2006). The estimates of the exact value of remittances that enter the country vary substantially with an estimated total inflow of remittances of USD359 million in 2007 (Fransen and Kuschminder 2009). The average value of remittances received by an Ethiopian is USD4, and this is still low when compared to an average of USD26 dollars per person for Sub-Saharan Africa (UNDP 2009).

Remittances play a big role in financial household dynamics in Ethiopia, mainly used as risk-reducing instruments and as insurance against external shocks (Dejene 2005). Moreover, the Ethiopian government increasingly recognizes the importance of remittances from its migrants for the development of the country and has taken a number of initiatives to optimize the effects of these financial flows (Fransen and Kuschminder 2009). For instance, the National Bank of Ethiopia, issued a directive on international remittance services in 2006, which served three main objectives: 1) to improve the operations of the formal remittance service in Ethiopia; 2) to make remittances transfers more cost-effective; and 3) to make the international remittance service in Ethiopia more accessible, more reliable, and faster (NBE 2006). However, most financial transfers are still made through informal channels (ICMPD 2008).

Brain gain and technology transfer, next to remittances, also benefits the sending or country of origin. A benefit that is not considered in the traditional brain-drain literature is the brain drain-induced "brain gain," a central feature of the new brain-drain literature (Özden and Schiff 2006). The same source pointed out that as a brain drain implies the share of a migrant skilled individual who has migrated and earned a higher wage abroad, the new brain-drain literature posits that the brain drain raises the expected return on education that result in brain drain for sending countries but brain gain for recipients. Some argues that as a brain gain is larger than the brain drain, a net brain gain raises welfare and growth. These effects are, however, subject to other potential factors affecting the outcomes of brain drain such as the level of education, the amount of remittance and the level of acquisition of skills by the return migrants in the countries of destination (Özden and Schiff 2006).

Studies show that if the return to education is higher abroad than at home, the possibility of migration increases the expected return of human capital, thereby enhancing domestic enrollment in education (Özden and Schiff 2006). More people, therefore, invest in human capital as a result of increased migration opportunities. This acquisition can contribute positively to growth and economic performance. Along with the incentive to acquire education, there are other channels through which the brain drain may positively affect the sending economy through return migrants after acquiring additional knowledge and skills (Domingues Dos Santos and Postel-Vinay 2003). For instance, it will create business and trade networks (Dustmann and Kirchkamp 2002).

Furthermore, most workers move for better opportunities. Yet, having moved abroad they retain connections and networks back to their home country. When these networks are fostered they can yield a flow back of knowledge and new technologies that can boost growth in the origin country. Whether emigrants are permanent or temporary, backward linkages to their source country can increase the available knowledge and technology that boosts productivity. Sometimes expatriates organize

networks that stimulate return flows of knowledge and lead to collaborative ventures with home-country researchers. Certainly, policies that strengthen educational institutions will have a beneficial long-term impact. Research indicates that cooperation between developed and developing countries in academic and research settings improves the conditions for economic growth in developing economies. Many observers assert that knowledge or technology transfers are a primary way for developing countries to benefit from high skilled emigrants (Lowell and Findlay 2001).

In order to tap from brain gains, the Ethiopian Government has taken some initiative to reverse the negative effects resulting from brain drain. It has tried to mobilize Ethiopian skilled professionals living abroad to run development projects in the country. However, the number of Ethiopian returnees is low and it appears that the Government's initiative has not yet been able to achieve the desired result (ICMPD 2008).

Policy Responses to International Migration

It is widely recognized that international migration, if properly managed, may generate important gains not only for migrants but also for host and sending countries. Developing countries in particular may have a lot to gain in terms of growth, investment, human capital accumulation and poverty reduction if they manage to restructure effectively their economies following emigration. However, assessments of the influence of migration on development have varied over time: sometimes migration has been seen as beneficial and at others detrimental to development, depending on the historical moment and circumstances. With the variation in perspectives has come variation in migration and development policies.

Consequently, in the latter quarter of the twentieth century, the view in Europe shifted from seeing migration as a factor contributing to economic growth in the receiving states and development in the sending states to the prevailing view that immigration pressures have reached intolerable levels. More restrictive legislation has been accompanied by tendencies to confuse the status of refugees and illegal migrants and to lump together concerns about security with the problem of asylum seekers. Development and conflict prevention are seen as needed in the migrant-sending countries to curtail unwanted migration. However, while there has been much talk of improving economic and security conditions in source countries – assumed to alleviate migration pressures – so far the emphasis has been on policies aimed at curbing immigration at the destination end – a trend likely to gain momentum in the wake of the 11 September 2001 terrorist attacks in the United States (Nyberg-Sorensen *et al.* 2002).

Thus, immigration has become a leading policy concern for many countries and regional groupings around the world. In addition, the larger international community is struggling to come up with policies on how best to manage international migration, especially with regard to development and human rights (Chamie and Dall'Oglio 2008). Generally, there are six

policy options for states: return, restriction, recruitment, reparation, resourcing, and retention. Return is the cultivation of human capital when there is value added from working abroad. Restriction is process of making difficult for the citizens to take jobs abroad. Recruitment is immigration of foreign national skilled workers when there are domestic shortages. Reparation is the creation of monetary compensation to source countries for brain drain. Resourcing/Diaspora options are the means of benefiting from expatriates. Retention is focusing on improving domestic opportunities and lessening the incentive to emigrate (Lowell 2001). Thus, the sending and receiving countries need to adopt often complementary policies to effect managed migration.

It is important to recognize that the migration-development is two-sided: underdevelopment affects migration and migration affects development. In the long-term, the best solution to unwanted migration is “stay at home” development although, according to Martin (2007), stay at home development is unlikely to offset migration pressures in the short to medium term, and may in fact stimulate increased movement as more people gain the resources and knowledge needed to migrate. During this interim period, migrants can contribute to further economic development in their home countries through their financial resources as well as their skills, entrepreneurial activities, and support for democratization and human rights. Individual remittance transfers continue to be an important source of income for many families in developing countries. Indeed, the World Bank estimates that international remittance to developing countries is about USD414 billion in 2013 (World Bank 2013) and considering that Official Development Assistance (ODA) seldom exceeds \$100 billion per year, migrants contribute more financial resources to their home countries (OECD 2002).

Given that migratory processes are determined and influenced by a broad range of conditions in sending and receiving countries and the relationships between them, a full understanding of any migratory flow requires a detailed analysis of all of the societies involved. For migration to be managed effectively, it is extremely important that governments ensure policy and institutional coherences and establish partnerships at the national, regional and international levels among the diverse stakeholders in migration and development (Chamie and Dall'Oglio 2008). Accordingly, the Ethiopian Government has formulated National Employment Policy and Strategy recently (MoLSA 2009) and issued Employment Exchange Services Proclamation (FDRE 2009). However, there are no other strategies and policies to manage international migration adequately. But at the same time, the migration of Ethiopians both legally and illegally is increasing from time to time. More recently the involvement of women is becoming significant. Accordingly, this study will employ the “pluralist” perspective and will focus on assessing the negative effects (mainly brain drain and human rights abuses); the positive effects such as brain gain, technology transfer and remittances; and policy responses to international migration in

Ethiopia. It is expected that the findings of this study will benefit the nation (as a sending country) and the migrants.

Methodology

Ethiopia has a federal governance system that comprises 9 regional states (Tigray, Afar, Amhara, Oromia, Somali, Benishangul-Gumuz, Southern Nations Nationalities and Peoples (SNNP), Harari and Gambella); and two city administrations (Addis Ababa and Dire Dawa) with an area of over 1.1millionkm² (Fransen and Kuschminder 2009).The states are subdivided into zones, districts, and kebeles whereas the city administrations are subdivided into sub-cities and districts/kebeles.

According to Central Statistical Agency (Ethiopia), the population is projected to be 87 million in 2012 based on the May 2007 National Population and Housing Census (CSA 2012). Of these, 83 percent live in rural areas and 17 percent are urban residents. On the other hand, the urban unemployment rate is 18.0 percent, and the differentials of unemployment rate by sex show that 25.3 percent for females and 11.4 percent for males (CSA 2011). As a result, migration is considered as a viable mechanism to get out of unemployment.

Alternatively, Ethiopian government argues that as a result of the rapid and sustained economic growth over the last few years, the per capita income has increased from USD377 in 2009/10 to USD513 in 2011/12 (MoFED 2013). Accordingly, the total population living below the poverty line has gone down to 29.6 percent in 2010/11 from 38.7 percent in 2004/05, showing a decline of 9.1 percentage points over the five years (MoFED 2013). Despite this, Ethiopia still remains a poor country with a large segment of its population living in poverty. Consequently, Ethiopians are migrating to different corners of the world, mainly neighboring countries such as Kenya, Djibouti and Sudan (World Bank 2008) and other African countries, mainly South Africa (Teshome 2010); the Middle East countries, like Qatar, Kuwait, Saudi Arabia, Beirut, Syria, United Arab Emirates and Bahrain (Abdu 2009); and Western countries, mainly North America (USA and Canada) and Europe (Germany, Italy and Sweden) (World Bank 2008) to escape poverty.

Although, the exact size of the Ethiopian diaspora is unknown, it is estimated to be 1-2 million people with large concentrations in the Middle East, North America and Europe. In comparison to other Sub-Saharan Africa countries, Ethiopians are the second largest group in the United States (after Nigeria) and the fifteenth largest in Europe (AFTCD-AFTQK 2007). The Ethiopian Embassy in South Africa estimates that there are about 45,000 to 50,000 Ethiopians residing in South Africa (Horwood 2009).

Research Design

This study is conducted in Addis Ababa, and Hadya and Kembata-Tembaro zones of SNNP. Addis Ababa is selected purposefully to get various potential and return migrants to and from the Middle East and Western countries. Hadya and Kembata-Tembaro zones of SNNP regional state are selected because there are numerous potential and return migrants to and from South Africa. As an approach, mixed research design is employed to collect quantitative and qualitative data to conduct the study because it helps overcome various weaknesses inherent in only one method (Dawson 2009). Accordingly, a survey method, in-depth and key informant interviews, and exploration of secondary data are used to collect the required data for this study.

Methods of Data Collection

Survey Method: Using purposive sampling technique, 300 potential migrants are selected and interviewed. Of these, 200 are from Addis Ababa (100 planning to go to Western countries and 100 planning to go to the Middle East countries). These potential migrants came from different parts of Ethiopia to study in Addis Ababa. Moreover, 100 potential migrants (50 from Hadya and 50 from Kembata-Tembaro Zones of rural and urban residents who are planning to go to South Africa) are selected and interviewed. Similarly by employing the same sampling technique, 150 return migrants (50 from Western countries, 50 from the Middle East and 50 from South Africa) are selected and interviewed. Accordingly, a survey data is collected from a total sample size of 450 respondents.

A questionnaire is used as instrument focusing on individual characteristics of migrants at the time of migration and returning. Some of the issues that the questionnaire has covered are the legality of migration, socioeconomic characteristics of the migrants, the challenges of migrants and migration, mainly brain waste and human rights violations, and the opportunities of migrants and migration, mainly remittance, brain gain and technology transfers.

The dependent variables included in the study are operationalised as follows: (1) type of migration — legal or illegal migration/migrants; (2) migrants' choice of destination — the Middle East, South Africa, or Western countries; (3) brain waste — migrant engagement in non-professional activities or not; (4) human rights violation — existence of such or not; and (5) amount of remittances — amount of money sent to Ethiopia either for themselves, for their family or for the nation's development.

The content, logical flow, layout and presentation of the questionnaire were pilot tested and the necessary modifications made before the actual fieldwork. The data collection was carried out in two phases. In phase I, data/ information was collected from potential and return migrants from the Middle East between January 14 and 26, 2013. Phase II was conducted

from May 15 to June 05, 2013 to collect data/information from potential and return migrants from Western countries and South Africa.

In-depth, Key Informant Interview: This method of interviewing was needed in order to understand the perceptions of the participants (Berg 2009). The interviews were conducted with representatives of Ministry of Foreign Affairs, Ministry of Labor and Social Affairs, Federal Police Commission, National Bank of Ethiopia, Ministry of Women, Children and Youth, Ministry of Health, Ministry of Education, International Organization for Migration-Ethiopia Office, and Ethiopian Diaspora Association. In-depth interviews, on the other hand, were held with potential and return migrants to explore the challenges faced during the move, gains/opportunities obtained, social networking and its roles in the migratory process, and other personal opinions and experiences.

Using purposive sampling technique, 12 potential migrants were selected and interviewed. Of these, four of them were from Addis Ababa (two planning to go to Western countries and two planning to go to the Middle East countries). Accordingly, one male and one female potential migrant from each destination areas were interviewed. Moreover, four potential migrants from Hadya Zone: one male and one female potential migrant were interviewed from rural and urban residents. Furthermore, four potential migrants from Kembata-Tembaro Zone: one male and one female potential migrant from rural and urban residents were interviewed.

Similarly, using purposive sampling technique, eight return migrants were selected and interviewed. Of these, four of them were from Addis Ababa (two returned from Western countries and two returned from the Middle East countries). Accordingly, one male and one female return migrant from each destination areas were interviewed. Moreover, two return migrants: one male and one female returned from South Africa were interviewed from Hadya Zone. Furthermore, two return migrants: one male and one female returned from South Africa were interviewed from Kembata-Tembaro Zone.

Some of the issues covered using the interview guide are about types of international migration in Ethiopia such as the legality of migration, major routes and means of migration, and measures taken (for both legal and illegal) migration. It also covered socioeconomic characteristics of migrants, mainly destination preference, age-groups, marital statuses, relations to the head of the households and educational statuses.

Moreover, the challenges of international migration at the individual, household and national levels, mainly brain waste, human rights violations and brain drain; opportunities of international migration at the individual, household and national levels, mainly remittance, and brain gain and technology transfers have been covered. Furthermore, policy responses of international migration, mainly the establishment of mobilization committee up to kebele levels for creating awareness of illegal potential migrants and their families, expansion of employment service agencies to

minimize illegal brokers, and signing manpower exchange agreements with various countries have also been covered. Finally, means of minimizing brain drain and human rights violations, mechanisms of harnessing the diaspora's potential to get maximum benefit from remittances, brain gain and technology transfers, and provision of trainings for potential migrants to get the necessary skill and knowledge about destination countries have been also covered in the qualitative study.

Secondary Data Sources: Data on background characteristics and other relevant issues of migrants to and from Ethiopia was gathered from the Ministry of Foreign Affairs, Ministry of Labor and Social Affairs, International Organization for Migration-Ethiopia Office and other relevant offices. As some studies have shown that migrants move both legally and illegally (Abdu 2009; Teshome 2010), information on the nature and magnitude of illegal migrants along with the challenges they faced has been collected from Federal Police Commission.

Methods of Data Analysis

Data obtained from the survey method was entered into a computer and statistical analysis was conducted using SPSS and/or STATA soft-wares. Accordingly, different statistical tests such as independent one sample t-test, analysis of variance (ANOVA), correlation, linear multiple regression analysis and logistic regressions were run to see the effect of different independent variables on the dependent variables employed in the study.

More specifically, an independent samples t-test is used to compare the means of some dependent variables such as the amount of remittance sent to Ethiopia for two independent groups. A one-way analysis of variance (ANOVA) is used for a categorical independent variable (with two or more categories) and a dependent variable to test for differences in the means of the dependent variable. Correlations are used to see the relationship between two (or more) continuous/interval variables. A linear multiple regression is used to look at the relationship between multiple independent variables and the outcome variable mainly amount of remittance sent to Ethiopia. Moreover, logistic regressions are used to test categorical dependent variables, such as the type of migration, the occurrence of brain waste and human rights violations.

On the other hand, the qualitative data that was obtained from in-depth and key informant interviews was analyzed using the qualitative data analysis techniques such as thematic analysis, comparative analysis and content analysis, where the researcher moves backwards and forwards between transcripts, memos, notes and the research literature (Dawson 2009). This was done to explain the real situations of the subjects under study and substantiate the quantitative findings.

Findings and Discussion

The findings and discussion of this study center on (1) the type of migration and how migrants move to their destination areas; (2) socio-economic characteristics of the migrants; (3) challenges which Ethiopian international migrants face; (4) opportunities that Ethiopian international migrants gained; and (5) assessment of the kind of policy responses existing in Ethiopia to maximize opportunities and minimize challenges.

Types of International Migration in Ethiopia

Key informants and in-depth interview participants pointed out that Ethiopians migrate legally and illegally to the different corners of the world mainly Middle East, South Africa and Western countries. They also indicated that there are different factors that initiate and force Ethiopians to migrate. Some of these are poverty, unemployment, underemployment, shortage of farmland, peer and family pressure, lack of intent and initiation to engage in various alternatives available in Ethiopia (such as micro and small enterprises), and aspiration for better opportunities. Furthermore, key informants and in-depth interview participants argued that illegal migration especially in the form of human trafficking and smuggling is becoming a great problem for Ethiopia.

Of the surveyed 300 potential migrants, 66.7 percent (200) are planning to go to their destination areas legally. Moreover, of the surveyed 150 return migrants, 63.3 percent (95) had migrated legally. Putting it differently, all of the surveyed potential migrants who are planning to go South Africa, 33.3 percent (100) are planning to go their destination areas through illegal means, mainly through brokers and smugglers; and all of the surveyed return migrants from South Africa, 33.3 percent (50) have gone to their destination areas through illegal means, mainly through brokers and smugglers.

This shows that while all migrants who migrate to South Africa migrate illegally, almost all the migrants who migrate to the Middle East and Western countries migrate legally. Key informants and in-depth interview participants argued that this is due to the fact that there are different efforts of sending Ethiopians to the Middle East through Private Employment Agencies and to Western countries through scholarships while there is none for South Africa. This implies that when there is no legal means of migrating to some destination area individuals engage in illegal migration. However, it is not only the absence of the legal means of migration but also the inefficiency of the system leads many others to migrate illegally. As a result, key informants and in-depth interview participants have stated that although some Ethiopians use the legal route, there are also large numbers of illegal migrants to the Middle East who are not covered by the legal means of migration due to various reasons.

On the other hand, key informants and in-depth interview participants have stated that most Ethiopians are working in a hostile environment in the Middle East where some return back to Ethiopia with serious psychological problems and physical disabilities. A returnee in-depth interview participant has substantiated this argument by stating that *'my friend is suffering from a paralysis of her extremities while she was trying to escape from extreme maltreatment of her employer, and now she become a burden of her family being migrated to help them'*. Moreover, key informants and in-depth interview participants have stated that the problem is more serious for those who migrate through illegal means both to the Middle East and South Africa. However, they reinforced that the migration of Ethiopians both legally and illegally will continue as many Ethiopians still consider migration as a viable means of helping themselves and their families.

Legal Migration

According to key informants, Ethiopians migrate to the Middle East and Western countries (mainly USA) legally with employment contract and DV lotteries, respectively, through Bole International Airport. More specifically, they added, the Ethiopian government has signed a bilateral employment service contract with Qatar and Kuwait. Accordingly, a large number of people migrate to these destination countries every year. Hence, as shown in Table 1, due to geographic proximity and job opportunities, the Middle East is becoming one of the common destinations for Ethiopian legal migrants, especially for young female domestic workers.

Table 1. Ethiopian migrants to the Middle East countries by gender, 2008–2012

Country destination	Year								Total
	2008/09		2009/10		2010/11		2011/12		
	Male	Female	Male	Female	Male	Female	Male	Female	
Bahrain	3	681	1	3	6	8	1	3	706
Kuwait	103	6976	321	10836	663	25457	270	28476	73102
Saudi Arabia	3749	9399	1082	2395	2030	13446	103401	158959	294461
U.A.E.	9	113	1	143		510	109	321	1206
Total	3864	17169	1405	13377	2699	39421	103781	187759	369475

Source: MoLSA 2013

As indicated in Table 1, in four years (2008–2012), 369,475 people migrated legally to the Middle East. These are many individuals who migrate through Ministry of Labour and Social Affairs by fulfilling the Government's requirements. However, key informants and in-depth interview participants argued that this takes a long process, from getting the passport up to flight to the destination areas.

As a result, key informants and in-depth interview participants pointed out that there are also many others who migrate illegally. Moreover, some in-depth interview participants argued that in the event that illegal migrants reach their destination areas safely they can be paid higher than the legal migrants, as their employers do not pay other costs like commission for the agencies. Contrary to this, the other group of in-depth interview participants and key informants said that it is when the migrants entered legally that they can have a better bargaining power and later on a better payment. However, both groups agreed that when the legal exit mechanisms become narrower there will be a great possibility of illegal migration. This is consistent with previous findings. For instance, Grant (2005) has pointed out that if governments take measures to tighten controls without creating conducive environment for those who wants to migrate, more expensive, risky and dangerous routes might be chosen by migrants (Grant 2005).

Illegal Migration

Key informants and in-depth interview participants argued that due to high level of poverty and unemployment in both rural and urban areas, a large number of Ethiopians are migrating illegally. For instance, an in-depth interview a potential migrant has argued that:

I am a son of rural poor family, and we are six in number: 4 males and 2 females. Thanks for our culture our sisters have married and gone to their husbands' family. But four of us must share our parent's land. Look a land which was unable to feed one family is now expected to feed five families including our parent's family which is impossible to me. Hence, I have looked for other options but I couldn't find it. On the other hand, I am observing radical change on the returnees from South Africa at my neighbors. That is why I have decided to migrate to South Africa.

This is substantiated by International Labor Organization (2011) study, which found that poverty on one hand, and the increasing demand of cheap labor, on the other, with the cumulative effect of strict border controls and entry requirements of some countries, have fueled irregular migration in general and trafficking in persons in particular.

Generally, key informants and in-depth interview participants have indicated that Ethiopians migrate illegally through three directions (South, Moyale-Kenya; West, Gadariff-Sudan; and East, Afar-Djibouti, and also Somali - Somaliland (Bossasso)). Similarly, ILO has stated that Ethiopians

migrants cross the border to neighboring countries using the 'desert routes'. Trafficking routes identified include irregular migration to South Africa through Moyale; to Saudi Arabia through Bossasso; to Saudi Arabia and UAE through Afar, Djibouti and Yemen; to Sudan through Metema; to Djibouti through Dire Dawa; and to Lebanon through Bole International Airport (ILO 2011). Key informants and in-depth interview participants have stated that there are different means of migration. Migrants may start on foot then by container to Moyale, Kenya, Tanzania, Zimbabwe, and South Africa. Similarly, they may start on foot and travel within a container to Djibouti and then to Yemen via crossing vessels. They also start on foot to go to Gadariff and then by car to Sudan.

Key informants and in-depth interview participants have added that all of the three routes are risky. In the southern direction, a number of people die in transit countries. For instance, 43 people have died in Tanzania in 2012. In the Western route migrants, they may reach to Sudan after passing so many challenges, including rape and robbery. But they face their biggest challenge when they start to travel to Western countries through Egypt and Libya by crossing the Sahara Desert. Many people die or one or two parts of their body is taken out for transplantation. Some people may get caught by security people or other gangsters and make calls to their families to deposit up to USD35,000 in somebody's account or risk death. The greatest challenge here is that it is impossible to get the address to call back and negotiate.

Regarding the Eastern route, after migrants reach to Djibouti and Bossasso port they travel to Yemen by boat. About 150 people may be loaded in a small boat, and four gangsters will stand at four corners of the ship to keep the order through various measures, including throwing someone into the ocean when problems arise. The surprise here is that if one individual is thrown into the ocean then another individual should be thrown at the opposite corner to balance the ship. After passing through all this hardship, if they are not able to pay money to the brokers when they reach Saudi Arabian and Yemeni borders, they are deported back to Ethiopia through Bole international airport with the help of the Ethiopian government.

Key informants and in-depth participants have pointed out that human trafficking and smuggling is a serious problem in Ethiopia. In such process, they added, migrants especially women migrants face different problems such as rape, unwanted pregnancy and sexually transmitted infections, including HIV/AIDS. Furthermore, WHO has indicated that women, men and children trafficked into many forms are vulnerable to a range of occupational health risks varying by sector, such as poor ventilation and sanitation; extended hours; repetitive-motion activities; poor training in use of heavy or high-risk equipment; chemical hazards; lack of protective equipment; heat or cold extremes; and airborne and bacterial contaminants (WHO 2012).

Both key informants and in-depth interview participants have agreed that there are different types of traffickers at different sites or stages. They added that it starts at the local/village level and ends up at the destination areas. In addition, they stated that though there are various problems in destination areas, it is more serious for illegal migrants, including trafficked and smuggled migrants. They added that psychological problems and physical disabilities are more serious for such kind of migrants which in turn becomes a burden for the families. ILO also has investigated that trafficked victims face exploitative conditions at work places in destination countries, including long working hours, unbearable workload, having to work in other households, restricted movement and isolation, inability to change employers, lack of leisure, denial of wages, and irregular payment of wages. Their freedom of movement and communication outside the household is also restricted through confiscation of passports and work permits, as well as through monitoring of their contacts with families and friends. Victims may also be subjected to different forms of violence (physical, sexual, and emotional) in the hands of traffickers and employers. Moreover, the threat of deportation in the event of disagreement with the employers is used to keep the victims in exploitative conditions (ILO 2011).

Moreover, the relationship that would exist between the dependent variable (type of migration) and different independent variables, mainly type of destination areas, gender of the migrant, peer or family pressure, presence of social networks, lack of opportunity in Ethiopia, employment status of the migrant in Ethiopia, educational status of the migrant, and presence of legal means of emigration from Ethiopia were tested by logistic regression. This was done after the data is tested for heteroscedasticity and multi-collinearity, and there was none. The result shows that most of the aforementioned independent variables are statistically significant showing that they are contributing positively or negatively to legal migration in Ethiopia (Table 2).

Table 2. Logistic regression analysis of the factors affecting the legality of migration in Ethiopia

Migration type	Coefficient	Std. Error	z	P > z
Type of destination areas	2.682765	0.3590064	7.47	0.000***
Presence of legal means of emigration from Ethiopia	1.687812	0.3667885	4.6	0.000***
Peer or family pressure	-.6874011	0.3655473	-1.88	0.060*
Presence of social networks	-1.626581	0.439337	-3.7	0.000***
Gender of the migrant	-2.46852	0.4947788	-4.99	0.000***
Educational status of the migrant	-.6054872	0.457432	-1.32	0.186
Employment status of the migrant in Ethiopia	2.06093	0.4684159	4.4	0.000***
Lack of opportunity in Ethiopia	-1.034309	0.4959407	-2.09	0.037**
_constant	0.9661235	0.6819488	1.42	0.157

Log likelihood = -115.44876, Pseudo R square 0.60, *** significant at 1 percent, ** significant at 5 percent, * significant at 10 percent.

The migration of individuals to the Middle East is negatively associated with legal migration showing that many people are migrating illegally. Presence of legal means of migration like private employment agencies which send Ethiopians to abroad contribute to the migration of persons to the Middle East legally, though a great number of people are migrating to the same destination illegally. Peer or family pressure is less likely to influence legal migration rather it has a significant impact on illegal migration. Presence of social networks contributes negatively to the migration of persons to the Middle East legally indicating that migrants who have certain social networks in their destination areas migrate illegally without passing the legal processes. Males are more likely to migrate to the Middle East illegally than females. Most of the migrants to the Middle East are employed people even if most of the people's income is meager, as compared to what they would anticipate in the Middle East. Ethiopian migrants who lack opportunity to engage themselves in a certain productive work in their homeland are less likely to choose legal means of migration to move to their destination areas.

Challenges of International Migration in Ethiopia

Key informants and in-depth interview participants pointed out that international migration has different challenges such as brain waste, human rights violations, and culture shock and language problems for the migrants; family disorganization and dependency syndrome for the migrants' families; and brain drain and bad image building for the nation.

Brain Drain and Brain Waste

According to key informants, scientists, engineers, academics and physicians who have been trained with scarcely available resources at social cost in their home countries are not working for the benefits and growth of Ethiopia and its citizens. A key informant from the Ministry of Education has indicated that about 50 percent of the Ethiopians who went abroad for training and further education have not returned home for the past two decades after completing their studies in different Western countries. The irony is that, he added, a huge amount of money is spent to replace them with expatriates.

In an in-depth interview, a potential migrant going to a Western country for scholarship has substantiated the previous argument when he was asked about his plan when he completed his education. He argued as follows:

I am teaching in one of the Ethiopian University with a lecturer position right now, and the government has paid me a gross salary of ETB4,605 per month. Look, he continued, where do I put it this money to pay the house rent, to cover living expenses, to pay school fees for my children, where?. As a result I was confronting with myself with two blocks of ideas: striving to provide quality education using my maximum effort and thinking about how my salary will cover all my monthly subsistent expenses. These things were making me worried every day. And when I get the scholarship I have relieved from almost everything. Hence, I will not come back.

This was reinforced by previous studies, which indicated that it is difficult to create a stable and work-friendly environment for highly-skilled society members, as the highly-skilled young Ethiopians often dream of a better future and leave their country in pursuit of this dream (Dejene 1998). This, in combination with increasing opportunities elsewhere due to a globalizing world, leads to an outflow of skilled people (Reinert 2006). More specifically, Ethiopia is one of the countries in the world most affected by medical brain drain (El-Khawas 2004), and this has resulted in lack of adequate skilled medical staff in the country.

In response to this, key informants have pointed there should be some mechanisms to retain health professionals. On the contrary, an in-depth interview participant has pointed out that

trying to retain the professionals like physicians without creating conducive environment for such people leads to illegal migration or work dissatisfaction. He added, currently the government is trying to retain fresh medical doctorate degree graduates by holding their temporary degrees, however, I can assure you that let alone a medical doctor who treats patients and saves the lives of people it is impossible to get a productive work by forcing individuals to accomplish a certain task.

Furthermore, key informants pointed out that brain drain for Ethiopia is explicitly detrimental as the education of skilled emigrants was funded by taxes on residents. In addition, the literatures show that there is documented evidence that '*brain drain*' of certain professions can have devastating impacts in developing countries like Ethiopia (UNFPA 2005). On the other hand, the literature argues that if the return on education investment is higher abroad than at home, the possibility of migration increases the expected return on human capital, thereby enhancing domestic enrollment in education (Docquier and Marfouk 2005). However, the finding of this study is contrary to the preceding justification as the migration of the highly skilled persons is affecting the quality of Ethiopian education. Accordingly, key informants have argued that many highly skilled persons are leaving Ethiopia and the quality of domestic education is deteriorating.

Key informants also raised other important issue how brain drain is affecting particularly the poor in Ethiopia. They said, a medical doctor who graduated in one of Ethiopian universities and emigrating from Ethiopia might have saved the lives of so many poor people had he/she been working in Ethiopia. However, the key informants argued, the return migrants may come with finance, knowledge and skill but they are not still serving the poor citizens of their home country as they engage in investments which serve the elites. This was substantiated by a study stating that the high levels of skilled emigration adversely affected those who remained by increasing poverty and inequality (Lowell and Findlay 2001). On the contrary an in-depth interview participant has argued that '*being a medical doctor I earn less than USD250 per month in Ethiopia but if I migrate to some high paying countries I will earn more than 40 times which is about USD10,000. Hence, he added, don't you think that it will be good to work for some time and return back benefiting myself, my families and the nation as whole?*'

On the other hand, key informants argue that there are some skilled persons in different professions, such as nurses, who are in excess to be absorbed in the work place in Ethiopia. Hence, if conducive environment is created for these people they would be productive and benefit themselves, their family and the nation as whole if they migrate to needy areas of the world, as in India and Philippines. More importantly, a key informant has pointed out that the few nurses migrating to the Middle East are earning a monthly income of USD3,000 to USD4,000 in 2012, something which the Philippines used to earn before 10 years. This shows that there is a need to bring these professionals up to the standard to compete with the rest of the world labor migrants.

The key informants added that there might be also other professionals in excess in Ethiopia in which they are not absorbed by the economy. In line with this, Samuel and George (2002) have pointed out that whether any form of emigration of skilled persons is a loss to the sending country depends on the supply and demand for their skills in the same country. In

anticipation of high growth rates, some developing countries like Ethiopia make a heavy human capital investment in their labor force through education. However, the economic growth rate projected is not always achieved, and the country cannot absorb all those who were trained. This gives rise to the need for skilled professionals to migrate (Samuel and George 2002). Key informants indicated that in such kinds of situations, migration will be important as a source of income for the migrants, and reducing unemployment and source of foreign currency for the nation.

Key informants and in-depth interview participants have indicated that if such kinds of issues are not properly managed, there will be brain waste when professionals seat idle or not working in their professions in Ethiopia. The key informants added that that is why the receiving countries scholars argue that professionals of the sending/developing countries should come to the developed countries to work with their professions which otherwise is a brain waste. A study conducted by UNFPA has substantiated this argument that when no outlets exist at home for exercising one's profession neither the person nor the country benefits from his/her skills, and the end result may be one of brain waste (UNFPA 2005).

Key informants argued that almost all migrants who migrate to Western countries are educated and highly skilled. This was also substantiated by quantitative results that out of 100 potential migrants who are planning to go to the West, 80 percent (80 respondents) holds bachelor and master's degrees whereas out of 200 potential migrants who are planning to go to the Middle East and South Africa, 93 percent (186 respondents) have completed only 12th grade. This shows that the significant percentages of migrants to the West are educated, which in turn shows that there is brain drain for the nation and brain waste for the migrant as most of them are not working within their professions. Most of such emigrants engage in security works, loading and unloading activities, driving, and other related activities. One key informant argued that a Master's degree holder who migrates to one of the Western countries and engages in loading and unloading activities is really a crisis for the sending country like Ethiopia, as she has invested a lot on this person. Hence, there should be some measures to minimize this problem by providing desirable payments and incentives for highly skilled persons, changing the attitude of migrants, and creating conducive environment in Ethiopia.

A return migrant in-depth interview participant has reinforced the previous argument explaining with his lived experience. He argued that:

I held a bachelor degree at the time of migration. I have gone to one of the Western country for scholarship to do my Masters. However, after I completed my education I was not returned back to Ethiopia due to various reasons. Consequently, I have worked as a cleaner, parking worker, and loader and unloader for 10 years. I know it is a brain waste to engage in such kind of activities holding a master's degree but I get extremely high

income by performing such activities than I supposed to get being an employee of master's holder in Ethiopia.

However, key informants have pointed out that if international migration is managed properly it will benefit Ethiopia. This is reinforced by study conducted by Castles and Wise (2008) stating that though the sending country will be disadvantaged at the beginning of international migration, it will be benefited later on. For instance, a paradigm shift in skilled migrants leaving India took place in phases – from the “brain drain” of 1960s–1970s to “brain bank” of 1980s–1990s, and subsequently to “brain gain” in the 21st century (Castles and Wise 2008). This means that when the skilled persons are migrating from Ethiopia, it will be brain drain for the nation. Moreover, the skilled persons themselves will face brain waste. But if they use that temporary work of brain waste for educating themselves more, it will be a brain gain for the migrant and the nation later on.

Key informants also indicated that the emigrations of skilled migrants especially to the Western countries are stimulating trade through creating relationships and tourism by building good images. This was reinforced by Lowell and Findlay (2001), which indicated that emigrants may stimulate trade with their country of origin, and transnational communities boost trade (imports) from their country of origin.

Furthermore, the relationship that would exist between the dependent variable (the occurrence of brain waste on Ethiopian international migrants) and some independent variables, such as type of migration, type of destination areas, type of activities in the destination areas, gender of the migrant, educational status of the migrant, employment status of the migrant, and lack of opportunity in Ethiopia in Ethiopia were tested by logistic regression. This was done after the data was tested for heteroscedasticity and multicollinearity, and there was no heteroscedasticity and minimum collinearity. The result (Table 3) shows that most of the aforementioned independent variables are statistically significant, showing that they are contributing to the occurrence of brain waste on Ethiopian international migrants.

Table 3. Logistic regression analysis of factors affecting the occurrence of brain waste on Ethiopian international migrants

Brain Waste	Coefficient	Std. Error	z	P > z
Migration type	1.697126	0.6725987	2.52	0.012**
Type of destination areas	-1.740758	0.5857739	-2.97	0.003***
Type of activities in the destination areas	-1.301552	0.8606026	-1.51	0.130
Gender of the migrant	1.668188	0.6559727	2.54	0.011**
Educational status of the migrant	-3.57694	1.132382	-3.16	0.002***
Employment status of the migrant in Ethiopia	2.052723	0.6668827	3.08	0.002***
Lack of opportunity in Ethiopia	-.925893	0.6431427	-1.44	0.150
_constant	-1.312615	1.125517	-1.17	0.244

*Log likelihood = -45.068009, Pseudo R square 0.53, *** significant at 1 percent, **significant at 5 percent, * significant at 10 percent.

Brain waste occurs more likely in legal migrants as most of the educated people migrate legally compared to less educated people in Ethiopia. Ethiopian migrants migrating to the Western countries are less likely to face brain waste as some of them get the chance to work within their profession. Brain waste occurs more likely in males as they are better educated than females in Ethiopia. Better educated people have the opportunity to work with their profession. Most of the people migrating to the Western countries are employed in Ethiopia, and when they migrate, there is high probability of the occurrence of brain waste on these people as most of them engage in non-professional activities.

Human Rights Violations

Key informants and in-depth interview participants have indicated that while almost all migrants who migrate to the Middle East and South Africa face human rights violations, migrants who migrate to Western countries are not facing human rights violations. They also added that female migrants who are travelling to the Middle East face many types of human rights violations: physical, sexual, psychological and economic violence in their transit and destination countries. For instance, out of the surveyed 50 return migrants from the Middle East, 96 percent (48 respondents) faced human rights violations.

This shows that migrants traveling to the Middle East and South Africa are facing human rights challenges. This might be due to the legality of migration and other socioeconomic characteristics. As to the legality of migration, a significant number of the migrants to the Middle East and all of the migrants to South Africa migrate illegally. Regarding other socioeconomic characteristics, if education is considered as an example, almost all of the migrants to the Middle East and South Africa are educated

up to 12th grade. Hence, they are not regarded highly by their employers and others. Grant (2005) has reinforced this argument stating that most highly skilled workers migrate through regular channels into formal sector jobs with good conditions of work.

The in-depth interview participants argued that different human rights violations occur in different forms, particularly in the Middle East. The physical violence can take the form of slapping and/or hitting, pushing and/or throwing things at, and sometimes burning. The sexual violence will be committed by brokers, employers, and smugglers at departure, in transit, at arrival, during their stay under contract, and after contract time. The psychological violence can be observed in the form of verbal aggression, jealous behaviors, and dominant behavior. Migrants also face the economic violence when their payments are withheld for work done or are not paid for additional work done.

A return migrant in-depth interview participant corroborated the points raised by the preceding argument by taking one of the human rights violations that is economic violence. She argued:

as per the contractual agreement I should only work my employer's domestic work, however, my employer force me to cover the duties of her parents domestic work after I finished all the jobs of the house which I have employed. She added, what makes this more painful is that in addition to working without rest, there is no payment for the work that I did with extra time.'

This entails that the majority of the migrants to the Middle East face human rights violations. This might be due to the nature of the work on which almost all of the migrants in the Middle East engage in domestic work. In line with, a study conducted by Grant (2005) has indicated that one of the sectors in which migrant workers predominate and where the incidence of forced labor is high, among both regular and irregular migrants, is domestic work, which is typically undertaken by women. Migrant women domestic workers are among the world's most vulnerable workers facing serious problems like debt bondage, passport retention, illegal confinement, rape and physical assault. This has been corroborated in the in-depth and key informant interviews.

To this end, key informants and in-depth interview participants have pointed out that human rights violation is a very sensitive issue and it has so many challenges to investigate and put into practice. This was also substantiated by previous studies. One of the main challenges in the protection of the human rights of migrants is the ratification, implementation and enforcement of existing human rights instruments in a non-discriminatory manner at the national level. In many cases, migrants' rights are undermined because the legal and normative framework affecting migrants is not well articulated or because officials are not familiar with the

framework, do not comprehend its implications and do not know how to put it into practice or monitor its implementation (GMG 2008).

Furthermore, key informants have pointed out that the human rights violations at Ethiopian international migrants are severe on illegal migrants. This is evidenced by previous studies, for instance, where the migrant enters another country illegally, or enters legally and subsequently loses any legal immigration status; his or her vulnerability to abuse and exploitation sharply increases (Grant 2005). This shows that illegal migration leads to severe human rights violation, and sometimes even loss of life. One key informant from the Ministry of Foreign Affairs argued that 43 Ethiopian illegal migrants to South Africa have died in Tanzania in 2012.

On the other hand, a key informant from Ministry of Labor and Social Affairs has pointed out that the migrants do not know their duties and responsibilities. He added that after they arrive in one of the Middle East countries to work for two years they want to terminate the contract within fifteen days and want to come back to Ethiopia or to change their employers. At this time the employers in turn take different measures. In-depth interview participants mentioned the major types of measures include passport retention, illegal confinement, rape and physical assault.

This implies that Ethiopian migrants are travelling to the Middle East without knowing basic features and/or having important information to cope up with their destination areas, and accomplish their duties as per the contract. The preceding argument is reinforced by in-depth interview participant pointing out that we Ethiopian migrants have different problems, such as language problem and culture shock. The language problem occurs in the form of inability to communicate, to understand some items, and to operate some machines. On the other hand, Ethiopians face culture shock during the shouting of the Madams, dressing styles, and encountering new food stuffs.

In response to this, the in-depth interview participants indicated that currently Ministry of Labor and Social Affairs is offering a half day pre-departure orientation about rights and obligations, and financial management. They added this was insufficient when compared to other countries' migrants who took a six months training in their country to make themselves more competitive against the rest of the labor migrants. Therefore, they should have more training in house management/keeping and then be certified as to the skills they have mastered.

Alternatively, the key informants and in-depth interview participants have argued that Ethiopian migrant workers should be loyal to their respective employers and perform their duties and responsibilities competently so that the destination countries will have good image for those Ethiopians who follow their footsteps. However, they added, there are some Ethiopian

migrants who are not loyal to their employers, and do not fulfill their duties and responsibilities, as indicated in the contract

The key informants have also indicated that they are facing problems in how to manage these violations as most of them are occurring on domestic workers. This challenge is also pointed out by previous researchers. For instance, Grant has argued that a major obstacle in investigating human rights violations is lack of information on types of violation, the places where they occur, and their characteristics. Violations have been generally under-recorded and there is lack reliable data. This is due to the fact that migrants are less likely than citizens to place their jobs at risk by reporting violations by employers. Under-recording is greater where the migrants are irregular or marginal (Grant 2005).

Key informants have stated that human rights violation is severe on the migration of unskilled workers, especially those migrating illegally. They added that unskilled workers who migrate illegally to South Africa and the Middle East are facing different human rights violations both in the process of migration and at their destination areas. On the other hand, human rights violations for the migration of skilled and legal migrants are minimal. This is evidenced by Grant in his study at 2005. Most highly skilled workers migrate through regular channels into formal sector jobs with good conditions of work. But the great majority of migrant workers, both men and women, are in low skilled, in the informal sector occupations, requiring long or irregular hours of work or subject to seasonal layoffs – jobs normally shunned by national workers (Grant 2005).

Human traffickers and smugglers play a vital role in the occurrence and aggravation of human rights violations. The movement of trafficked persons is based on deception or coercion and is for the purpose of exploitation. Profit comes not from the movement but from the sale of a trafficked person's sexual services or labor in the country of destination. Most smuggled migrants are men. Most trafficked persons are often assumed to be women and children, but many men also are trafficked. Human rights violations also take place in the course of the expulsion and deportation (Grant 2005).

Moreover, the relationship that would exist between the dependent variable (the occurrence of human rights violations on Ethiopian international migrants) and various independent variables, mainly type of migration, type of destination areas, gender of the migrant, type of activities in the destination areas, lack of skill, employment status of the migrant in Ethiopia, educational status of the migrant, and lack of opportunity in Ethiopia were tested by logistic regression. This was done after the data is tested for heteroscedasticity and multicollinearity, and there is no heteroscedasticity and minimum collinearity. The result (Table 4) shows that the aforementioned independent variables are statistically significant, showing that they contributed to the occurrence of human rights violations on Ethiopian international migrants.

Table 4. Logistic regression analysis of factors affecting the occurrence of human rights violations on Ethiopian international migrants

Human Rights Violations	Coefficient	Std. Error	z	P > z
Migration type	-2.073858	0.6481343	-3.2	0.001***
Type of destination areas	2.560243	0.654991	3.91	0.000***
Type of activities in the destination areas	2.427581	0.9035062	2.69	0.007***
Lack of skill	4.693327	1.690418	2.78	0.005***
Gender of the migrant	-1.085609	0.6354876	-1.71	0.088*
Employment status of the migrant in Ethiopia	-1.182285	0.7028361	-1.68	0.093*
Lack of opportunity in Ethiopia	1.782909	0.6643386	2.68	0.007***
constant	-5.215933	2.013339	-2.59	0.010

*Log likelihood = -45.947135, Pseudo R square 0.51, *** significant at 1 percent, **significant at 5 percent, * significant at 10 percent.

The occurrence of human rights violations decreases when Ethiopian international migrants migrate legally. Ethiopian migrants migrating to the Middle East are more vulnerable to human rights violations. As Ethiopian migrants in the Middle East are engaged in domestic work, they are more vulnerable to human rights violations. Lack of skill is significantly contributing for the occurrence of human rights violations. Males are less vulnerable to human rights violations than females in the Middle East. Employed persons in Ethiopia are less likely to migrate to the Middle East, and they are not vulnerable to human rights violations. Individuals who lack opportunity in Ethiopia will choose illegal means of migration and they will be more vulnerable to human rights violations.

Opportunities of International Migration in Ethiopia

According to in-depth and key informant interviews, international migration has different opportunities, such as brain gain and remittance for the migrants themselves, remittance for the migrants' families, and technology transfer and foreign currency for the nation as a whole.

Remittances

Key informants indicated that migrants either sent or bring remittances to their home country. As most of the return migrants from the Middle East and South Africa were earning less and stay for a short period of time (like 2 years of contract) for domestic work in their destination areas, they take a long time to be actively engaged in investment. On the other hand, the migrants who came from the Western countries are actively involved in investment as they have been in their destination areas for long time. However, those migrants who migrate to Western countries may not send remittance the moment they reach to their destination areas. This might be

due to various reasons such as time-taking nature of the area to get employment or job and the economic crisis. This shows that while it takes long time to get job in Western countries, it takes short time to engage in investment after they get the job.

Although almost all migrants who migrate to South Africa, Middle East and Western countries send remittances, currently a large amount of remittance is sent by migrants in the Middle East. This is due to the fact that migrants who went to the Middle East are sending all the money they get monthly while migrants to Western countries may not get job the moment they reach to their destination countries. The quantitative result also shows that out of the surveyed 50 return migrants from the Middle East, 98 percent (49 respondents) sent the remittance amount of ETB30,000–50,000 annually while the majority of migrants who went to Western countries and South Africa sent less than ETB10,000 annually. This is also evidenced by Katseli, Lucas and Xenogiani (2006), who argued that temporary migration tends to be more conducive to higher remittance flows than permanent settlement to the host country, especially when it involves low-skilled migrants, not accompanied by family members, who expect to return to their country of origin (Katseli, Lucas and Xenogiani 2006). However, when migrants who went to Western countries start sending remittances they send more remittances, as they are better educated and better paid.

Additionally, key informants have pointed out that skilled migrants sent more remittance compared to unskilled migrants. This is substantiated by Lowell and Findlay stating that highly skilled emigrants earn more than their low-skilled compatriots and empirical data show that highly skilled emigrants remit larger amounts (Lowell and Findlay 2001). Consequently, both key informant and in-depth interview participants pointed out that, unskilled and semi-skilled labor migrants must get training before they go to their destination areas to compete with those labor migrants who came from different corners of the world. They added it is when this is done that the migrants will get better payment and be able to send more remittances to their country.

Both key informant and in-depth interview participants pointed out that Ethiopians send remittances to their family and to their own for savings in Ethiopia. This is also reinforced by previous studies, like Katseli, Lucas, and Xenogiani (2006), that remittance flows do benefit both the migrants' households and the non-recipient ones through multiplier effects of spending. However, the purpose of using the remittance differs. The remittance sent for their own saving, will be used for investment, buying a car, buying plot of land, buying household materials, and constructing a house. On the other hand, the remittances sent for their family is used for investment, subsistence livelihood and education. But the problem is that most of the families use the remittance for subsistence livelihood. For

instance, out of the surveyed 50 return migrants from the Middle East, 66 percent (33 respondents) use the remittance for subsistence livelihood.

This shows that a high percentage of the remittance sent to Ethiopia is used for consumption. This is in line with previous findings that remittances remain primarily used for daily expenses and therefore do not have large developmental impact (European Investment Bank 2006). Such issue has a big message for the government to develop some strategies to channel remittances into productive investment. On the other hand, some key informants and in-depth interview participants have argued that households who get remittances have a higher tendency to invest than non-migrant households. Rapoport and Docquier (2005) reinforce the preceding argument stating that remittances promote access to self-employment and increase investment in small businesses.

This was reinforced by a return migrant in-depth interview participant from her lived experience. She stated:

I have gone to one of the Middle East countries in 2006. I have worked for 2 years and when I return to Ethiopia almost all the money has lost either by me or by my parents. She continued, I have also gone back in 2008 and work for two years. Now since I get a lesson from the previous mistake I saved using my maximum potential. And my parents have started some small business. I have also gone back to one of the Middle East countries for the third time in 2010. I have saved the money for myself and currently I have started some business.

Hence, remittances can simultaneously be seen as a source of consumption and investment (De Haas 2007). This was also reinforced by key informants that migrants go to the Middle East more than ones (that is, more than one contract term) and usually the first trip is for paying the migration debt and fulfilling some of the basic necessities and materials for themselves and their families. The second trip is usually used for improving their parents' life either by starting business or by investing on the assets that the parents had. Thirdly, they go to save for themselves and start a business when they return back. However, key informants added, migrants should get a sufficient training on financial management.

Accordingly, key informants and in-depth interview participants have indicated that remittance flow plays a significant role in poverty reduction. More importantly, they argued that remittance is very important in protecting against income shocks, offering household welfare, and covering nutrition, food, health, education and other living expenses. This was corroborated by some studies indicating that an increase in remittances reduces the poverty headcount thereby fulfilling Millennium Development Goal 1, namely Eradicate Extreme Poverty and Hunger (UNFPA 2005). More importantly, De Haas (2007) stated that international remittances have reduced poverty either directly or indirectly, and a 10 percent increase

in per capita international remittances leads to a 3.5 percent decline in the share of people living on less than USD1 per person per day.

On the other hand, key informants have indicated that remittances create inequalities between the migrants and non-migrants and their families. Thus, there will be a pressure from the non-migrants themselves and the parents to migrate. An in-depth interview a participant has made an argument in line with this. He stated that *'there was someone who has migrated to one of the Middle East countries in my neighbor. Then, this migrant has changed the lives of his family within short period of time. This has created inequality between his family and my family and between us. Then I and my parents force me to go to one of the Middle East countries to change the life of myself and my parents.* This was substantiated by De Haas (2007) that remittances may have a negative effect on income inequality within migrant-sending communities and the increased inequality would stimulate out-migration. However, other group of key informant argues that non-migrants would benefit indirectly from consumption and investments of remittances by return migrants and remittance-receiving migrant households through employment creation and income multipliers.

Key informants have argued that migrant women send more remittance in Ethiopia. The quantitative result also shows that out of the surveyed 50 return migrants from the Middle East, 88 percent (44 respondents) sent remittances to Ethiopia either for their own saving or for their families. However, out of the surveyed 50 return migrants from South Africa, 56 percent (28 respondents) sent the remittances to Ethiopia either for their own saving or for their families. This was substantiated in previous studies that female migrants show a deeper commitment than male migrants to providing more economic support to households that are left behind (De Haas 2007). On the other hand, this study has found that although they are few, male migrants from the Middle East sent more remittance than females due to their income differentials. This was verified by some previous empirical studies that argued Filipino men remit more money than female migrants (Semyonov and Gorodzeisky 2005).

Key informants have also argued that legally migrated persons sent more remittance. For instance, out of the surveyed 50 return migrants from South Africa who went illegally, only 44 percent (22 respondents) sent the amount of remittance greater than ETB10,000 annually whereas out of the surveyed 50 return migrants from the Middle East, 98 percent (49 respondents) sent the remittance amount of ETB30,000–50,000 annually.

Furthermore, the relationship that would exist between migrants' demographic and socio-economic characteristics, legality of migration and amount of remittance is examined to identify factors affecting amount of remittance. Consequently, the correlation between destination areas of the migrant, gender of the migrant, the legality of migration, and educational status of the migrant were tested for statistical significance using

To show the independent and combined effects of independent variables, a multiple regression model is used. As indicated in Table 5 below, destination areas of the migrant, gender of the migrant, the legality of migration and educational status of the migrant explained 44.4 percent of the variations in the amount of remittance sent. This was found to be significant at $P < 0.001$ (28.938, $P = 0.000$; with $df = 4$ and 145). The standardized coefficients (Beta weight) column shows the effect of each independent variable on the amount of remittance while controlling for other independent variables in the equation. While gender of the migrant and educational status of the migrant negatively correlate with amount of remittance, destination areas of the migrant and the legality of migration positively correlate with amount of remittance. The Collinearity Statistics shows that the correlation between independent variables is almost nonexistent.

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.849	.198		9.328	.000		
Destination area of the migrant	-.188	.057	-.421	-3.325	.001	.239	4.177
Gender of the migrant	.136	.062	.184	2.176	.031	.534	1.874
Educational status of the migrant	.111	.023	.596	4.798	.000	.248	4.030
Type of migration	-.252	.063	-.325	-3.984	.000	.576	1.735

F=28.938, P=0.000; with df=4 and 145

R= 0.666, R square= 0.444, Adjusted R Square=0.429

Moreover, whether remittances actually contribute to long-term development in poor countries is debatable. Remittances can be used to generate productive investment and create employment opportunities. Yet they can also have inflationary effects prompting unsustainable patterns of ostentatious consumption. Some countries have been able to capitalize on remittances and have established various forms of incentive schemes for this purpose. The danger however lies in the extent to which countries overly depend on migration and remittances as a development tool. In so doing, they overlook more sustainable, productive, wealth generating and equitable development paths that work towards ensuring equal economic opportunities at home so that jobs are generated nationally and individuals are not forced to seek employment or economic opportunities abroad. Working on providing alternatives to migration should thus be a medium to long term development focus in developing countries as well (UNFPA 2005).

However, key informants have indicated that remittance has also a macro level impact as foreign direct investment and other capital flows. They added, at the national level, there is substantial evidence that remittances are an increasingly important and relatively stable source of external finance, particularly as a source of foreign exchange when channeled through official routes (Table 6). Additionally, key informants and in-depth interview participants have argued that the spending of remittances can generate jobs and contribute to the development of the nation. For instance, recipients buy goods or invest in housing, education, or health care, improving the lives of non-migrants via the multiplier effects of remittance spending (Martin 2004). Contrary to this, there is an argument that remittances are an unreliable source of finance for families, communities and states as the remittances would rapidly decline with the settlement or return of migrants. Moreover, the opponents have argued that even the available finance is used for consumption rather than investment. However, empirical studies have shown that there is change over time from short-run motive of consumption smoothing to investment (Alper and Neyapti 2006).

Furthermore, the remittance flow to Ethiopia from 1996/97 – 2011/12 (Table 6) show there was a steady increase in amount of remittance for the last fifteen years (NBE 2013). Recent empirical literature findings show that remittances have a GDP multiplier effects which increase national income (Lowell and Findlay 2001). Accordingly, the World Bank (2011) reported remittance inflows to Ethiopia totaling 1.3 percent of gross domestic product (GDP) in 2009. Similarly, according to Human Development Report of 2009, the total inflow remittance for Ethiopia in 2007 is estimated at US\$359 million, representing 1.5 percent of the gross domestic product (GDP). However, as indicated in Table 6 below, the total inflow of remittance to Ethiopia in 2007 was about USD632 million (NBE 2013). The disparity of the figures between the two sources may be due to the fact that recently the National Bank of Ethiopia (NBE) is trying to consolidate the remittance flows to Ethiopia from all sources.

Table 6. Trends of remittance flow to Ethiopia, 1996/97 – 2011/12

Budget Year	Remittance flow in Millions	
	USD	ETB
1996/97	39.9	259.4
1997/98	104.3	722.5
1998/99	71.3	531.4
1999/00	105.7	862.1
2000/01	104.2	866.9
2001/02	93.3	797.6
2002/03	140.6	1 206.5
2003/04	211	1 819.2
2004/05	350.7	3 034.7
2005/06	354.8	3 080.5
2006/07	632.6	4 215.1
2007/08	800	7 444.3
2008/09	723.2	7 492.1
2009/10	789.5	10 658.2
2010/11	1 066.3	17 060.8
2011/12	1 347.4	22 905.2

Source: NBE 2013

As indicated in Table 6, while the government gets foreign currencies, households and the migrants themselves get ETB. For instance in 2012, Ethiopia has got USD1.4 billion in hard currency from remittances (excluding transfers in cash and kind and remittances sent through informal channels) whereas only USD800 million was earned from exporting coffee. During the same year households and migrants themselves get about ETB23 million.

A key informant from Ministry of Finance and Economic Development has pointed out that remittance is the only financial flow to Ethiopia increasing from time to time. Likewise, the literature shows that remittances have risen with number of migrants, and surpassed official development assistance in developing countries in the mid-1990s. In recent years, foreign direct investment and capital market flows to developing countries have decreased, so that the only financial flow to developing countries that is still on an upward path are remittances (Martin 2004). In line with this and as indicated in Table 6, remittance flows to Ethiopia has been increasing for the last fifteen years.

Brain Gain and Technology Transfer

Most key informants said that one of the opportunities of international migration is brain gain and technology transfer. This is verified by previous studies stating that most workers move to abroad for better opportunities (Lowell and Findlay 2001), and there is a brain drain-induced benefit of brain gain (Özden and Schiff 2006). Thus, it is argued that international migrants will return with some brain gain and technologies when they come back to their home country. The in-depth interview participants have argued that return Ethiopian migrants had acquired practical scientific knowledge, entrepreneurship and business management skills and knowledge through brain gain and technology transfer. Hence, they can engage in investment, establishment of industry and establishment of training centers. In addition to the return migrants themselves, this will benefit Ethiopia through getting foreign currency, reducing the unemployment rate and collecting taxes, and increasing the opportunity for job and skill seeking Ethiopians, helping themselves and their family, and learning skills and knowledge.

This is corroborated in previous studies. For instance, India had a moderate number of universities at the time of independence, but it lacked highly trained scientific and technical human resources and an institutional base in science and technology to embark upon the industrialization and modernization planned under the Nehru leadership of the early decades. The five Indian Institute of Technologies (IITs), modeled on the Massachusetts Institute of Technology (MIT), were created to train the best engineers who would play an important role in assimilating technological change and revolutionizing India's industrialization program. The IITs not only created space for hundreds of faculty members, but also attracted a good number of them to return from abroad. As all the IITs in the beginning had intellectual and material support from various advanced donor countries, such as the USA, USSR, Germany, and the UK, they introduced the guest faculty system from the respective countries. The exchange put Indian scientists in touch with the cutting-edge technological research and advanced training (Indiresan and Nigamm 1993, cited in Castles and Wise 2008).

This implies that migrants who have been abroad provide the energy, ideas, and entrepreneurial vigor needed to start or expand businesses at home. Moreover, migrants are generally drawn from the ranks of the risk takers at home, and if their new capital is combined with risk-taking behavior, the result can be a new push for economic development (Martin 2004). Accordingly, key informants said a group of visionary and committed Ethiopians living in and outside the country have established Alliance for Brain Gain and Innovative Development (ABIDE). Its main purpose is increasing the mobilization exchange and inflow of the rich intellectual resources – for exchange and transfer of knowledge, skills, technology and innovation in priority development areas by mobilizing Ethiopians in the

Diaspora and friends of Ethiopia to effectively participate in Ethiopia's human resources and institutional capacity development and to contribute to the sustainable development of the country. Lowell and Findlay's study confirmed the importance of such initiative stating that when these networks are fostered they can yield a flow back of knowledge and new technologies that can boost source country growth and development (Lowell and Findlay 2001).

A return migrant in-depth interview participant has argued in the following way: *'I have lived for more than 20 years in one of the Western countries. Then I have returned to Ethiopia before 5 years at the Ethiopian Millennium. Currently I have engaged in agro-processing industry investment creating job opportunities for 60 persons.'*

Similarly, a key informant from Ministry of Health has pointed out that recently Ethiopian medical professionals are striving to open a referral hospital with in 800 million USD, which probably may serve by substituting the referral of patients to India, South Africa and Thailand. This is in line with Lowell and Findlay's argument that emigrated skilled migrants will come back with remittances, brain gain and technology transfers (Lowell and Findlay 2001).

However, if migrants settle abroad and cut ties to their countries or origin, or if they return only to rest and retire, there may be limited development impacts of returning migrants (Martin, 2004). Thus, key informants and in-depth interview participants have argued that there are some initiatives, particularly those of ABIDE, that strive to maximize brain gain through developing and strengthening institutional mechanisms and processes needed to coordinate and facilitate strong links and partnerships between local institutions and the diaspora during their productive ages. Key informants also added that there was an initiative by the Government to this effect, as it has established Technology Transfer and Development Directorate within the Ministry of Science and Technology to promote technology transfer and to enhance the development of the country.

Furthermore, key informants and in-depth interview participants have indicated that while migrants who migrate to Western countries get brain gain and bring some technologies, almost all the migrants who migrate to the Middle East and South Africa have not. For instance, the in-depth interview participants from the Middle East argued that since most of us are engaged in domestic activities, we do not come back with brain gain. This was substantiated by previous studies stating that there are potential factors affecting brain gain such as the level of education, the amount of remittance and the level of acquisition of skills by the return migrants in the countries of destination (Özden and Schiff 2006).

Furthermore, key informants pointed out that some of the Ethiopian emigrants are not willing to return permanently to Ethiopia, as this will cost them in terms of lost benefits in their destination areas. This is corroborated

by previous studies stating that there is the possibility of back-and-forth circulation that contributes to economic growth and development in both countries (Martin 2004). Alternatively, key informants added that migrants are willing to contribute their share through circular migration which benefits the three actors of migration: the sending countries, the migrants, and the destination countries. This was also reinforced by Vertovec (2007) study that circular migration systems could be managed in ways that bring proverbial 'win-win-win' results (i.e. benefits for receiving countries through meeting labor market shortages, for sending countries through guaranteeing remittances for development, and for migrants themselves through offering employment and control over the use of their wages). Hence, key informants argued that different stakeholders, including ABIDE is striving to tap into such potential.

Key informants have indicated that the Ethiopian diaspora can play vital roles in different missions. Hence, in addition to remittances, brain gain and technology transfers, migrants can steer foreigners' investments to their countries of origin and persuade their foreign employers to buy products from their countries of origin. For example, professionals abroad not only are important sources of remittances for their countries of origin but can also steer others' investments. The presence of migrants at abroad increases travel and tourism between countries, as well as trade in ethnic foods and other home-country items (Martin 2004). Diasporas can play a major role in promoting trade and investment flows between host and sending countries since long standing immigrant communities tend to influence trade preferences, facilitate trade intermediation and provide useful information on countries of origin (Katseli, Lucas, and Xenogiani 2006).

Policy Responses of International Migration in Ethiopia

According to key informants, there are different types of international migration and migrants in Ethiopia. Consequently there should be a comprehensive migration policy for Ethiopia to manage the mobility of migrants by incorporating the experiences and best practices of different countries. Key informants indicted that it is when this is put in practice that the government will have a better potential to control the illegal migration, expand legal migration, and engage the diaspora actively to the nations development. However, currently there is no comprehensive migration policy in place in Ethiopia, although elements of it do exist (ICMPD 2008). Hence, the findings and discussions of this section deals with the successes and challenges of these elements in expanding opportunities and avoiding/minimizing challenges of international migration in Ethiopia.

According to key informants, particularly in the last two decades where job opportunities have opened for many Ethiopian young females in the Middle East, the numbers of migrants have increased over the years. As a result, the issue of labor migration in Ethiopia has attracted policy makers and the parliament has formulated Employment Exchange Services Proclamation

No. 632/2009 applicable to any Ethiopian going abroad for employment through a private employment agency or a public employment services.

Key informants indicated that the employment service department at the Ministry of Labor and Social Affairs (MOLSA) is responsible for the regulation of the processes of foreign employment services to Ethiopians. Accordingly, the Government has signed different bilateral employment service agreements with different Middle Eastern countries, mainly Kuwait, Qatar and Saudi Arabia, and a large number of people are traveling to these countries. Moreover, the government states that when people go to any country, they should have a bank account in Ethiopia on which some amount of their monthly income should be deposited. After they come back, the Ethiopian Government should create conducive environment to engage these people into investment.

However, key informants pointed out that the implementation of Employment Exchange Services Proclamation No. 632/2009 faced different constraints. Some of them are capacity of the workers at the Ministry, extremely large number of migrants, and the loyalty of Private Employment Agencies. Offering the service only in the Ministry of Labor and Social Affairs at the federal level has resulted in the suffering of labor migrants from the long process while staying in Addis Ababa coming from different parts of Ethiopia. Moreover, the services offered under the provisions of this proclamation do not address the migrants to South Africa and other high skilled persons who want to move to different Western countries. Consequently, many people are migrating illegally through human trafficking and smuggling. This is substantiated by International Center for Migration Policy Development's (ICMPD's) study stating that the majority of Ethiopians planning to work abroad prefer the "quicker" informal migration channels to the legal migration process (ICMPD 2008). As a result, there are different human rights violations which are more serious, especially for domestic workers, whose working conditions vary enormously.

Subsequently, the key informants stated that, illegal/irregular international migration has become a serious problem in Ethiopia these days. In response to this, Ethiopia has designed three strategies to manage international migration. The first one is creation of employment opportunities. As much as possible the nation is striving to create various employment opportunities for different segments of the citizens in Ethiopia. Secondly, expansion of signing bilateral employment service agreements with various countries that need different labors (unskilled, semi-skilled and skilled persons). Finally, strengthening of legal frameworks to prevent and control illegal migrants.

Key informants have indicated that in order to implement these strategies the Ethiopian Government has established 'International Labour Migrants Safety and Dignity Protection Committee'. At the national level a council is established to manage international migration, especially illegal migration

in Ethiopia. The council consists of a deputy prime minister (chairperson), 15 ministers, regional presidents, religious leaders, and civic society organizations representatives. Under the council, there is also a taskforce consisting representatives from all members of the council. This Committee uses different strategies, mainly awareness creation to prevent illegal migration. However, as the problem is deep-rooted it will not be solved by awareness creation only. Hence, there should be more serious measures. In line with African Union in its policy framework has forwarded three strategies: i) prevention through revising and strengthening legislation; ii) training, capacity building and developing information campaigns for vulnerable groups; iii) providing material and legal protection for victims of trafficking including return and reintegration, as well as, the prosecution of traffickers and their accomplices (AU 2006). However, there is a challenge in implementing particularly the latter strategy due to the difficulty of suing the brokers, traffickers and smugglers, and the unwillingness of the victim migrants to rejoin to their family.

Moreover, key informants have indicated that there are various challenges in controlling irregular/illegal migration. For instance, they added, there is a mixing up of legal and illegal migration in Ethiopia. This was reinforced by ICMPD's study that a main challenge posed to the management of irregular migration in Ethiopia is mixed and composite character of migration flows, the enormous length and permeability of its land borders, and border conflicts and risks of "insecurity spill over" from neighboring countries (ICMPD 2008).

Furthermore, key informants have argued that Ethiopia does not have an independent and comprehensive law to address the issue of human trafficking and smuggling. However, there are some provisions scattered within the Constitution, the Criminal Code, the Civil Code and others. Moreover, the Criminal Code provisions on trafficking are limited to women and children, thus neglecting the growing phenomena of male trafficking mostly done for the purpose of labor exploitation and for organ harvesting (ICMPD 2008). In addition, there is a challenge of prosecuting the suspected traffickers and smugglers due to the difficulties in getting evidences.

Consequently, key informants argued that in response to these problems the government is striving to build its capacity to address illegal migration, including human trafficking and smuggling. Some of the ongoing responses are building capacity for border management, building capacity to differentiate the legal from the illegal migrants, and formulating independent or comprehensive law to prosecute suspected traffickers, smugglers and the migrants themselves who are migrating illegally.

The key informants stated that there is a feminization of some jobs for Ethiopian migrants. For instance, they added, the majority of the migrants to the Middle East are females as domestic workers. This is reinforced by African Union in its policy framework stating that the increasing

feminization of migration is a reflection of the changing demands for particular types of skills including the growing demands in the service industries especially for domestic workers, nurses, teachers and other typically female dominated professions (AU 2006). However, key informants argued that these female migrants are not benefitting as other domestic workers who came from different corners of the world due their low skills. Accordingly, a key informant from the Ministry of Labor and Social affairs has pointed out that the government is designing a program though not yet started to train female migrants with three skills: food preparation, home management and care giving.

Key informants have argued that there should be effective means of protection of the human rights of Ethiopian migrants, particularly in the Middle East and South Africa, who have often been deprived of their rights. African Union in its policy framework has forwarded that safeguarding the human rights of migrants implies the effective application of norms enshrined in human rights instruments of general applicability as well as the ratification and enforcement of instruments specifically relevant to the treatment of migrants (AU 2006). In so doing, the Ethiopian government, through its Ministry of Foreign Affairs, is doing its best that its nationals are treated humanely and fairly, and to have a better access to Ethiopian consulates and Embassies in their destination areas. However, the big challenge is that there are huge numbers of illegal migrants creating a serious problem to the extent of building bad image for the nation as a whole.

Most key informants have agreed that Ethiopia is severely affected by the loss of human capital through emigration of its highly skilled persons rather than benefiting from such persons through remittance, brain gain and technology transfers. More specifically, a key informant from the Ministry of Health has pointed out that the health sector is highly affected by migration of the health professional, particularly medical doctors. In line with this, ICMPD in its study has indicated that in Ethiopia fragile sectors, such as health care, are particularly affected by brain drain (ICMPD 2008). Accordingly, the Ethiopian Government, through the Ministry of Health, has designed different strategies, such as opening a private wing within various government hospitals to let the health professional to work at lunch time and beyond the regular working time, and take 70 percent of the income. However, there are discrepancies from place to place, and among health institutions. As a result, the Ministry is currently developing a benefits package to consistently provide incentives nationally to mitigate the migration of health professionals.

However, there is some controversy among key informants whether migration from Ethiopia is brain drain or brain gain. On the other hand, the literature suggests that economically motivated migration can set in motion virtuous circles, as when young workers who would have been unemployed at home find jobs abroad, send home remittances that reduce poverty and

are invested to accelerate economic and job growth, and return with new skills and technologies that lead to new industries and jobs. The alternative vicious circle can unfold if employed nurses, teachers or engineers are recruited for overseas jobs, so that quality and accessibility in health and schooling declines, and factories lay off workers for lack of key managers. In the vicious circle, migrants abroad do not send home significant remittances, or send home remittances that fuel inflation rather than job-creating development. Migrants abroad do not return, or return only to rest and retire, so that there is only a limited transfer of new ideas, energies, and entrepreneurial abilities (Martin 2004). Accordingly, key informants said that the government is working towards to benefit from the virtuous circle rather than affected by the vicious circle.

Key informants have also indicated that in addition to the unskilled persons going to the Middle East there are also some professionals, such as hostesses and nurses travelling to the Middle East for work. More specifically, a key informant from the Ministry of Labor and Social affairs has argued that such kinds of migrants are more benefiting than unskilled persons earning USD4,000 to USD5,000 per month in 2012. This is substantiated by previous studies. For instance, the pay for Filipino nurses abroad was reported to be USD3,000 to USD4,000 a month in 2003, versus USD170 a month in urban areas of the Philippines, and USD75 to USD95 a month in rural areas (Martin, 2004). In so doing, key informants argued that the amount of remittance sent to Ethiopia can be increased markedly which in turn benefits the migrants themselves, the migrants' family and the nation at large.

On the other hand, key informants have indicated that the Ethiopian Government has taken a number of important steps to harness the benefits of international migration. For instance, the Government has opened a diaspora engagement and participation office at the Ministry of Foreign Affairs. Moreover, currently the government has established diaspora offices in major ministries such as Education, Health, and Construction and Urban Development. More importantly, Ethiopian Diaspora Association is established in Ethiopia and the government is on the verge of completing Diaspora Policy. As a result more and more members of the diaspora show initiation to participate in the nation's development. However, there is challenge of giving fast and quality services for those who came to Ethiopia. Consequently, there are some Ethiopians who showed inclination to return to Ethiopia but changed their mind.

Alternatively, key informants said while the remittance flows to Ethiopia through formal channels have shown a steady increase for the last ten to fifteen years, most of the transfers are still being done informally. They added that there are several reasons why migrants might prefer the informal channels, such as fastness, lack of nationwide banking networks to transfer money to remote areas, and low transfer fee of informal channels. For instance, transfers via informal channels cost the remitter a mere 1 to 2

percent of the transaction sum, a value that may be exceeded up to ten times in the formal sector (ICMPD 2008). In response to this the Government is trying to expand the bank branches throughout the country. However, as many people, especially undocumented immigrants, do not have access to banks, they are sending their money with brokers or agents. Surprisingly, the agent may not send the money to the migrants' family.

Furthermore, the key informants pointed out that some of the Ethiopian emigrants are not willing to return permanently to Ethiopia, as this will cost them some benefits in their destination areas. However, the key informants added that they are willing to contribute their share through circular migration that benefits the three actors of migration: the sending countries, the migrants themselves and the destination countries. This was also reinforced by Vertovec study arguing that circular migration systems could be managed in ways that bring proverbial 'win-win-win' results (i.e. benefits for receiving countries through meeting labor market shortages, for sending countries through guaranteeing remittances for development, and for migrants themselves through offering employment and control over the use of their wages) (Vertovec 2007). In response to this the government is striving to use, especially professors, to offer block courses through circular migration. However, there is a big challenge of coordination at home universities.

Conclusion and Policy Implications

Conclusion

International migration in Ethiopia is continuing at an increasing rate. More specifically, illegal migration, especially in the form of human trafficking and smuggling, has become a serious problem for Ethiopia causing a death of many Ethiopians within Ethiopia, in the transition countries and at the destination countries. This has become more serious while the government is trying to take measures against illegal migrants and other stakeholders, as the migrants choose more and more dangerous routes and illegal activities. Grant (2005) has reinforced the argument that if the government takes measures tighten controls without creating conducive environment for those who want to migrate even more and more expensive, risky and dangerous routes might be chosen by migrants (Grant 2005).

Demographic and socioeconomic characteristics can influence and be influenced by international migration in Ethiopia. Demographically, daughters and sons are migrating more than the other household members. This implies that there will be preponderance of children and elders in a certain locality. On the other hand, socioeconomic status of the migrants themselves or the migrants' family determines the destination areas. For instance, educated and trained migrants are migrating to Western countries. This was reinforced by study that Ethiopian migrants to the North are more educated (Kuschminder, Andersson and Siegel 2012).

International migration has various challenges in Ethiopia. However, the nature and extent of the challenges are quite different for the three destination areas. For instance, brain drain is a great challenge for Ethiopia due to the migration of skilled migrants to Western countries. This has occurred in two ways: the migration of home-based university graduates and the inability of abroad educated and trained Ethiopian students to return back to Ethiopia. Home-based university graduates are leaving Ethiopia for various reasons after they completed their education made possible with the scarce resources collected through the taxes from poor Ethiopians. On the other hand, while some Ethiopian skilled and qualified emigrants face brain waste as they are engaged in those activities that require less skill and knowledge, farsighted emigrants use those times for educating themselves and coming back with much needed skills and technological knowhow.

Furthermore, human rights violations are great challenges, especially for illegal Ethiopia migrants. Ethiopians particularly migrating to the Middle East and South Africa are facing serious human rights problems. The human rights violations at the Middle East is more serious, as the majority of them are engaged in domestic work and as it is difficult to check the condition of the workers, and as some of the Ethiopians do not know their rights and obligations.

Alternatively, international migration has various opportunities though it is different for the three destination areas. The major one is remittance. Remittance that has been sent for their families or for their own saving is highly contributing to the betterment of their livelihood, the lives of their family, and the nation's development as a whole. The return migrants engage in investments which benefit themselves, their family and the country through foreign currency, reducing unemployment and collection of taxes from the employees and the institutions established by the return migrants.

Similarly it has been found that there are some brain gain and technological transfers. Since the Ethiopian Government is striving to engage the diaspora into the nation's investment, some of them, especially from Western countries, are returning home with brain gain and some technologies.

These days, international migration is a top political agenda in Ethiopia, and it will remain at the forefront of national agenda for some time due to high levels of migration. This is because of the existing poverty and unemployment perpetuated because of high population growth, unemployment, political, social and ethnic conflict and the importance of remittances in countries of origin make international migration continuous in developing countries (like Ethiopia), as reinforced by Mirkin (2008). On the other hand, currently there is no comprehensive migration policy in place in Ethiopia, although elements of it do exist (ICMPD 2008). This has created problems in the proper management of international migration in Ethiopia so as to minimize challenges and maximize opportunities. As a

result, Ethiopia and its migrants are challenged by serious problems related to international migration with minimum benefits.

Policy Implications

The paper has so far established important issues regarding the challenges and opportunities of international migration. In policy terms, it may be considered disastrous to allow all migrants to emigrate by formulating migration policy. However this can be done by properly managing the migration through various mechanisms.

Currently MOLSA is offering pre-departure training for a half day to teach potential migrants about their rights and obligations, and about financial management. However, it is impossible to empower the potential migrants within half day pre-departure orientation; rather, it should be extended to a training of several days. Moreover, there should be 3-6 months training about different issues, such as human rights and relevant skills to make them competitive with the rest of world migrants. Hence, different stakeholders should be involved to change these into practice.

The study has found that illegal migration, especially in the form of human trafficking and smugglings a serious problem for Ethiopia. Hence, the government should work intensively on the legal means of migration particularly by signing bilateral agreements, a good means of protecting labor migrants and reducing illegal migration mainly in the form of human trafficking and smuggling.

Furthermore, the study has found that there is legal framework to deal with trafficking of women and children for the purposes of prostitution and forced labor which are criminalized in Ethiopia. However, the trafficking of men which currently became a serious problem comparable to other forms of human trafficking is not addressed in Ethiopia. Moreover, the dispersedly existing legal frameworks do not treat some of the problems, such as exploitation for sexual purposes (pornography, rape, and sexual assault) or the removal of organs related to human trafficking comprehensively. Hence, it is recommended that the Government should make the legal framework of anti-human trafficking in Ethiopia more comprehensive by taking experiences and best practices of other countries or institutions working on the issue to control or minimize human trafficking.

Furthermore, the study has found that socioeconomic status of the migrants themselves or the migrants' family determines the destination areas. More importantly, educated and trained migrants are gaining more remittance than non-educated and non-trained. Hence, it is recommended that different stakeholders, mainly the Ethiopian Government, organizations working on migration, Employment Service Agencies and migrants themselves should work jointly to make the migrants competitive with the rest of the world migrants so as to benefit themselves and the nation as a whole.

The study has established that human rights violations are great challenges for Ethiopian migrants to the Middle East and South Africa. More specifically, the violations are more serious particularly for illegal Ethiopian migrants to the above mentioned destination areas. In addition to this, the illegal migrants especially in the form of human trafficking and smuggling are building bad images towards the nation as a whole and its citizens. Thus, the Ethiopian Government should work jointly with different stakeholders to expand and actively supervise formal means of migration, follow up the safety of its citizens through its embassies and consular offices, control illegal migrants in the form of human trafficking and smuggling, and build its capacity in border management.

The major national challenge of international migration found in this study is brain drain. While home-based university graduates are leaving Ethiopia for various reasons after they complete their education, the abroad educated and trained students are not returning back to Ethiopia. Therefore, the government should create conducive environments, such as better payment, provision of accommodations, and good working environment for the highly skilled persons of the home-based graduates not to leave their homeland and to attract back those who completed their education abroad.

Moreover, the study has found that there are many in the diaspora who do not want to return to Ethiopia permanently and risk losing their benefits in the countries of current residence. However, they are willing and ready to contribute their share for the development of Ethiopia through temporary return and circular migration. Therefore, it is recommended that the Ethiopian government, the Ethiopian Diaspora Association, and different institutions working on migration, like the IOM-Ethiopian Office should work jointly to encourage and facilitate temporary return and circular migration to Ethiopian Diasporas.

The study further found that remittance, brain gain and technological transfers are playing great roles for Ethiopia's development. Accordingly, the Ethiopian Government is striving to engage the diaspora into the nation's investment who are coming to their home with brain gain and some technologies. However, it has not produced the desired result. Thus, the Ethiopian Government should work more to actively engage the Ethiopian diaspora in the nation's development through investment and technology transfers.

Moreover, the amount of remittance sent through the formal channel is very small, as the migrants use different informal channels. This has led to the loss of a huge amount of foreign currency in which the country can use to perform various projects. On the other hand, the return migrants have argued that Ethiopian migrants are forced to use informal channels, as the amount of transfer fees are high and there are no banks in some remote areas. Hence, it is recommended that the government should expand its branches to reach the unreached and lower transfer fees to increase the volume of remittance flows via formal money transfer systems.

More specifically, remittances flow is contributing a lot to improve the livelihood the migrants' families through meeting daily subsistence needs, health and education, and investment in different sectors, such as improving the productivity of their land, repairing their homes, and engage in some businesses. Thus, it is recommended that different stakeholders' mainly local governments, migrants' families and migrants themselves should work jointly to identify ways of maximizing the developmental effects of remittances.

Furthermore, the study has established that some members of the Diaspora communities come and invest in different sectors in Ethiopia. However, it is very meager. This might be due to various reasons such as lack of support to return migrants. Thus, it is recommended that the government should employ trained intermediaries who advise and support return migrants in developing and implementing individual business plans and link these individual plans to broader priorities and needs of local business development.

Finally, the study has determined that there is no comprehensive migration policy to manage international migration in Ethiopia but some elements of such do exist in Ethiopia. Consequently, Ethiopia and its citizens are not benefiting much from international migration. On the other hand, countries with prudent migration policies have benefitted a lot from remittances, brain gain and technology transfers. Hence, the Ethiopian Government should formulate policies, strategies and programs for the proper management of international migration and migrants in Ethiopia.

References

- Abdu Seid. 2009. The socio-economic and demographic characteristics of Ethiopian emigrants to the Middle East: Through five selected private employment agencies. Unpublished MSc Thesis, Addis Ababa University, Addis Ababa.
- Adepoju, A. 2008. Migration in Sub-Saharan Africa. A background paper commissioned by the Nordic Africa Institute for the Swedish Government White Paper on Africa.
- African Union (AU). 2006. *Migration policy framework for Africa*. Banjul, Gambia.
- AFTDC-AFTQK. 2007. Concept note: Mobilizing the African diaspora for development. Capacity Development Action Plan Unit (AFTDC) and Operational Quality and Knowledge Service Department (AFTQK), Washington DC: African Diaspora Programme, World Bank.
- Alper, A.M. and B. Neyapti. 2006. Determinants of workers' remittances: Turkish evidence from high frequency data. *Eastern European Economics*, 44(5):91–100.

- Appleyard R. 1992. Migration and development: An unresolved relationship. *International Migration*, 30: 251–266.
- Berg, L. 2009. *Qualitative research methods for the social sciences*. USA: A Pearson Education Company.
- Böcker, A. 1994. Chain migration over legally closed borders: Settled migrants as bridgeheads and gatekeepers. *Netherlands' Journal of Social Sciences*, 30:87–106.
- Castles, S. and R. Wise. 2008. *Migration and development: Perspectives from the South*. Geneva, Switzerland: International Organization for Migration.
- Chamie, J. and L. Dall'Oglio. 2008. *International migration and development. Continuing the dialogue. Legal and policy perspectives*. Geneva, Switzerland: International Organization for Migration.
- Chammartin, M.G. 2004. Women migrant workers' protection in Arab League States. *In* Simel, S. and M. Smith, (Eds.), *Gender and migration in Arab States: The case of domestic workers*. ILO Regional Office for Arab States, Beirut.
- Clemens, M. 2007. *Do visas kill? Health effects of African health professional emigration*. Washington, D.C.: Center for Global Development.
- Clemens, M. and G. Pettersson. 2007. New data on African health professionals abroad. *Working Paper, 95, Center for Global Development*. Washington, DC.
- CSA. 2011. *Urban employment and unemployment survey in Ethiopia*. Addis Ababa: CSA.
- CSA 2012. *Population Statistical Abstract*. Addis Ababa: CSA.
- Dawson, C. 2009. *Practical research methods: A user-friendly guide to mastering research techniques and projects*. UK: How to Books.
- De Haas, H. 2007. *Remittances, migration and social development. A conceptual review of the literature*. Geneva: United Nations Research Institute for Social Development (UNRISD).
- De Haas, H. 2008. *Migration and development. A theoretical perspective*. Oxford: International Migration Institute, University of Oxford.
- Dejene Aredo. 1998. Skilled labor migration from developing countries: An assessment of brain drain from Ethiopia. *In* Siyoum, S. and A. Siyoum (Eds.), *Human development in Ethiopia*. Addis Ababa: Ethiopian Economic Association.
- . 2005. *Migrant remittances, shocks and poverty in urban Ethiopia: An analysis of micro-level panel data*. Addis Ababa: Addis Ababa University.
- Docquier, F. and A. Marfouk. 2005. Brain drain, brain gain, brain waste: International migration by education attainment, 1990–2000.

- Domingues Dos Santos, M., and F. Postel-Vinay. 2003. Migration as a source of growth: The perspective of a developing country. *Journal of Population Economics*, 16(1): 161–175.
- Durand, J., W. Kandel, E. Parrado and D. Massey. 1996a. International migration and development in Mexican communities. *Demography*, 33: 249–264.
- Dustmann, C., and O. Kirchkamp. 2002. The optimal migration duration and activity choice after remigration. *Journal of Development Economics*, 67: 351–72.
- Dzvimbo, K. 2003. The international migration of skilled human capital from developing countries: A case study prepared for the regional training conference on Improving Tertiary Education in Sub-Saharan Africa: Things That Work! Accra, Ghana, 23–25 September.
- El-Khawas, M. 2004. Brain drain: Putting Africa between a rock and a hard place. *Mediterranean Quarterly*, 15(4), 37–56.
- Emebet Kebede. 2002. ‘Ethiopia: An assessment of the international labor migration situation. The case of female labor migrants.’ *Gender Promotion Program Series on Women and Migration*. Geneva: International Labor Organization.
- Esim, S. and M. Smith. 2004. *Gender and migration in Arab States: The case of domestic workers*. Beirut: ILO Regional Office for Arab States.
- European Investment Bank. 2006. *Study on improving the efficiency of workers’ remittances in Mediterranean countries*. Rotterdam: Ecorys.
- Federal Democratic Republic of Ethiopia (FDRE). 2009. *Employment Exchange Services Proclamation. Proclamation No. 632/2009*. Addis Ababa, Ethiopia.
- Fransen, S. and K. Kuschminder. 2009. *Migration in Ethiopia: History, Current trends and future prospects*. Paper Series: Migration.
- Ghosh, B. 2006. *Migrants’ remittances and development: Myths, rhetoric and realities*. The Hague: International Organization for Migration, Geneva, and The Hague Process on Refugees and Migration.
- Global Migration Group (GMG). 2008. International migration and human rights: Challenges and opportunities on the threshold of the 60th Anniversary of the Universal Declaration of Human Rights.
- Grant, S. 2005. International migration and human rights. A paper prepared for the Policy Analysis and Research Programme of the Global Commission on International Migration.
- Hampshire, K. 2002. Fulani on the move: Seasonal economic migration in the Sahel as a social process. *Journal of Development Studies*, 38(5): 15–36.
- Holzmann, R. and R. Münz. 2004. Challenges and opportunities of international migration for the EU, its member states, neighboring countries and regions: A Policy Note.

- Horwood, C. 2009. *In Pursuit of the southern dream: Victims of necessity—Assessment of the irregular movement of men from East Africa and the Horn to South Africa*. Geneva, Switzerland: International Organization for Migration.
- International Centre for Migration Policy Development (ICMPD). 2008. *East Africa Migration Route Initiative Gaps and Needs Analysis project country reports: Ethiopia, Kenya, Libya*. Austria, Vienna.
- International Labor Office (ILO). 2011. Trafficking in persons overseas for labor purposes: The case of Ethiopian domestic workers. Addis Ababa: ILO Country Office.
- International Organization for Migration (IOM). 2009. *In Pursuit of the Southern Dream: Victims of Necessity: Assessment of the Irregular Movement of Men from East Africa and the Horn to South Africa*. Geneva: IOM.
- Jones, R. 1998. *Introduction: The Renewed Role of Remittances in the New World Order*. *Economic Geography*, 74(1):11–7.
- Kapur, D. 2003. *Remittances: The New Development Mantra?* United Nations Conference on Trade and Development, Geneva.
- Katseli, L., R. Lucas, and T. Xenogiani. 2006. *Effects of Migration on Sending Countries: What do we know?* International Symposium on International Migration and Development, Department of Economic and Social Affairs, United Nations.
- Kuschminder, K., L. Andersson and M. Siegel. 2012. Profiling Ethiopian migration: A comparison of characteristics of Ethiopian migrants to Africa, the Middle East and the North. *In* Rodrigues, C. and J. Tomàs (Eds.), *Crossing African borders: Migration and mobility edition*. Lisbon: Center of African Studies.
- Lowell, B. L. 2001. *Policy responses to the international mobility of skilled labor*. Geneva: ILO.
- Lowell, B. L. and A. Findlay. 2001. *International migration papers: Migration of highly skilled persons from developing countries: Impact and policy responses. Synthesis report*. Geneva: International Migration Branch, ILO.
- Lucas, R. 1987. Emigration to South-Africa's mines. *The American Economic Review*, 77: 313–330.
- Martin, P. 2004. *Migration and development: Toward sustainable solutions*. Geneva: International Labor Organization (International Institute for Labor Studies).
- Martin, S. 2007. *Transatlantic perspectives on migration: Women, migration and development*. USA: Institute for the Study of International Migration, Walsh School of Foreign Service, Georgetown University, USA.

- Massey, D., J. Arango, G. Hugo, A. Kouaouci, A. Pellegrino and J. Taylor. 1998. *Worlds in motion: Understanding international migration at the end of the millennium*. Oxford: Clarendon Press.
- Mazzucato, V., M. Kabki and L. Smith. 2006. Transnational migration and the economy of funerals: Changing practices in Ghana. *Development and Change*, 37:1047–1072.
- Ministry of Finance and Economic Development (MoFED). 2013. ‘Annual Progress Report for F.Y. 2011/12 Growth and Transformation Plan’. Addis Ababa, Ethiopia.
- Ministry of Labor and Social Affairs (MoLSA). 2010. *Labor Market Information Bulletin*. Addis Ababa, Ethiopia: MoLSA.
- MoLSA. 2009. *National Employment Policy and Strategy of Ethiopia*. Addis Ababa, Ethiopia: MoLSA.
- Mirkin, B. 2008. International migration policies: An overview. *In* Chamie, J. and L. Dall’Oglio (Eds.), *International migration and development: Continuing the dialogue. Legal and policy perspectives*. Geneva: International Organization for Migration.
- National Bank of Ethiopia (NBE). 2006. *National Bank of Ethiopia issued directive on provisions of international remittance service*. Addis Ababa, Ethiopia: NBE.
- Nyberg-Sorensen, N., N. Van Hear, and P. Engberg-Pedersen. 2002. *The Migration-development nexus: Evidence and policy options*. Geneva, Switzerland: IOM.
- Organization for Economic Co-operation and Development (OECD). 2001. *Trends in international migration. Continuous reporting system on migration*. Paris: OECD.
- OECD. 2002. *Trends in international migration. Continuous reporting system on migration*. Paris: OECD.
- Özden, C. and M. Schiff. 2006. *International migration, remittances and brain drain*. Washington, D.C.: World Bank.
- Quinn, M. A. 2006. Relative deprivation, wage differentials and Mexican migration. *Review of Development Economics*, 10:135–153.
- Rapoport, H. and F. Docquier. 2005. *The economics of migrants’ remittances*. Institute for the Study of Labor (IZA), Bonn.
- Ratha, D. 2003. *Workers’ remittances: An important and stable source of external development finance*. Washington, D.C.: World Bank.
- Reinert, K. A. 2006. *Ethiopia in the world economy: Trade, private capital flows, and migration*. School of Public Policy, George Mason University.

- Samuel, J. and S. George. 2002. *Globalization, migration and development. Special Issue on Migration and Globalization*. Canadian Studies in Population, Carleton University Ottawa, Ontario, Canada.
- Schiff, M. 1994. *How trade, aid, and remittances affect international migration*. Washington: World Bank, International Economics Department.
- Semyonov, M. and A. Gorodzeisky. 2005. Labor migration, remittances and household income: A comparison between Filipino and Filipina overseas workers. *International Migration Review*, 39:45–68.
- Sen, A. 1999. *Development as freedom*. Anchor Books, New York.
- Skeldon, R. 1997. *Migration and development: A global perspective*. Essex: Longman.
- Stark, O. 1991. *The migration of labor*. Cambridge and Oxford: Blackwell.
- Taylor, J. 1994. International migration and economic development: A micro economy-wide analysis. *In* Taylor, E. (Ed.), *Development strategy, employment and migration*. Paris: OECD.
- Taylor, J. 1999. The New Economics of Labour Migration and the Role of Remittances in the Migration Process. *International Migration*, 37:63–88.
- Taylor, J., J. Arango, G. Hugo, A. Kouaouci, D. Massey and A. Pellegrino. 1996. International migration and community development. *Population Index*, 62: 397–418.
- Taylor, J. 2006. 'International Migration and Economic Development.' International Symposium on International Migration and Economic Development. Turin, Italy.
- Teshome Desta. 2010. 'Causes and consequences of irregular migration of young adults from Southern Ethiopia to the Republic of South Africa: The case of Kembata-Tembaro and Hadiya Zones'. Unpublished M.Sc Thesis, Addis Ababa University, Addis Ababa.
- United Nations Development Programme (UNDP). 2009. *Human Development Report. Overcoming barriers: Human Mobility and Development*. United Nations Development Programme, New York.
- United Nations Population Fund (UNFPA). 2004. *Meeting the challenges of migration: Progress since the ICPD*. The International Migration Policy Programme.
- United Nations Population Fund (UNFPA). 2005. *International migration and the millennium development goals*. New York: UNFPA.
- United Nations Department of Economic and Social Affairs (UN-DESA) and Organization for Economic Co-operation and Development (OECD). 2013. *World migration in figures*. A Joint contribution by UN-DESA and the OECD to the United Nations High-Level Dialogue on Migration and Development, 3–4 October 2013.

- United Nations Population Division. 2003. *Department of economic and social information and policy analysis, trends in total migrant stock by sex*.
- Vertovec, S. 2007. *Circular migration: The way forward in global policy?* International Migration Institute, University of Oxford, UK.
- World Health Organization (WHO). 2012. *Understanding and addressing violence against women*. Geneva, Switzerland: World Health Organization.
- WHO 2003. *International migration, health and human rights*. Geneva: WHO.
- World Bank. 2006. *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*. Washington, D.C.: World Bank,.
- . 2008. *Migration and Remittances Factbook: Ethiopia*. Migration and Remittances Team, Development Prospects Group, World Bank, Washington, DC.
- . 2011. *Migration and Remittances Factbook 2011*. Washington, DC: World Bank.
- . 2013. *Migration and Development Brief. Migration and Remittance Flows: Recent Trends and Outlook, 2013–2016*. Washington, DC: World Bank.
- World Migration Report (WMR). 2010. *The future of migration: Building capacities for change*. Geneva, IOM.
- Zarate-Hoyos, G.A. 2004. Consumption and remittances in migrant households: Toward a productive use of remittances. *Contemporary Economic Policy*, 22:555–565.

CHAPTER FIVE

Impact of Migrant Remittances on National Economy and Household Income: Some Evidence from Selected Sudanese States

Abdul Hameed Elias Suliman, Ebaidalla Mahjoub Ebaidalla, and Abdalla Ali Ahmed

Introduction and the Problem

The flow of migrants' remittances from labor-importing countries to their home countries has received considerable and increasing attention from academics and decision makers in recent times. This is due to the increasing size and importance of remittances for labor-exporting countries. Recent estimates of the World Bank (2012) has shown that migrant remittances to developing countries has increased significantly from about USD91 billion in 1990 to USD400 billion in 2012. These flows have many positive consequences for labor exporting countries as it leads to enhancing income earnings, combating poverty, stimulating national savings, promoting capital accumulation, improving the balance of payments, reducing unemployment and stimulating economic growth. In some poor labor exporting countries remittances is acquiring considerable importance, as it represent about 40–50 percent of national income and 90 percent of the foreign currencies earnings.

Sudan is considered as one of the oldest Arab and African countries that experienced large migrations of its labor force during the last four decades. Since the late sixties and early seventies of the last century, the growing oil producing Gulf countries have attracted large numbers of the Sudanese expatriates. On the other hand, the adverse economic conditions experienced by the Sudanese economy in the seventies represented a push factor for the labor force to migrate. Successive waves of migrations in the subsequent decades were influenced by a number of factors important among which is the deterioration of the local economic conditions as reflected in the declining real incomes and widening unemployment.

The remittances from Sudanese working abroad represent one of the most important sources of foreign exchange as well as one of the important components of the Gross National Product (GNP)¹ and family income. According to official statistics, remittances represent, on average, more than 50 percent of the value of exports in the Sudan, which explains the growing importance of such transfers in the national

economy. Moreover, a large number of families rely heavily on remittances as one of the various sources of income. Hence, remittances play an important role at both macro and micro levels in Sudan. Also, remittances have significant contribution to investment and capital accumulation, as indicated by the growing number of investment projects owned by expatriates. On the other hand, the current economic crisis experienced by the country after the secession of the South Sudan has resulted in significant decrease in sources of foreign currencies and made remittances a critical source of foreign currency.

Despite the paramount importance of remittances in the national economy, the information available on its size, impact, determinants, and the various roles it plays economically and socially is rather scanty. This situation has major implications, especially (i) on the design and development of appropriate policies and programs that aim to attract remittances, (ii) the creation of appropriate economic environment for the reception and increase of such transfers within the economy, and (iii) measures to achieve developmental goals and economic growth. Therefore, this study is an attempt to identify the role of such transfers in the Sudanese economy through the study of their impact on variables related to national income, investment, capital accumulation and family income. Based on this analysis the following questions may arise: (1) What is the contribution of remittances in improving household incomes? (2) What is the impact of remittances on the national income? (3) What is the role of remittances in investment and capital accumulation? (4) To what extent do remittances contribute to economic development through the improvement in human capital?

This research aims in general to study the role of remittances in the growth and economic development in Sudan through identifying the role of remittances in supporting national income as well as household income in Sudan. It is hypothesized that (1) remittances positively affect household income; (2) there is a significant positive relationship between remittances and household consumption expenditure; (3) most of transfers are devoted for consumption and real estate expenditure rather than direct investments; (4) migrants' remittances positively affect human capital in terms of promoting educational attainment and health conditions of migrants' families; and (5) remittances flows have positive impact on foreign trade and economic growth in Sudan.

This study will make significant academic as well as policy-making contributions. First, the paper will bridge the gap in the literature on the role remittances play in the Sudanese economy. In spite of the large flows of remittances and its importance to the national economy, there is still big gap in the literature relating to the potential contribution of remittances to economic and social development. In fact, the only famous work on this regard is Elbadawi (1994), which focused on the impact of exchange rate policy on remittances flows. Second, the study will examine the impact of

remittances on micro and macro levels, using qualitative and quantitative methods. Finally, the study is relevant and comes at an appropriate timing in light of the recent economic developments caused by the secession of South Sudan, which led to a severe shortage in the foreign currencies.

Review of the Literature on Remittances

Given the importance of international remittance flows, the body of literature on the impact of remittances on economic prosperity has grown in recent decades, and most of the empirical studies have shown that international remittances exert positive effects on the household income, poverty, inequality, consumption, investment and macroeconomic performance. The existing literature on the impact of remittances is usually classified into two categories: studies using micro-data and macro-data. Therefore, the review of the literature below focuses on micro and macro data.

Microeconomic Impact of Remittances

Most of existing literature that used micro data has focused on the effect of remittances on household income and poverty. For example, Adams (2004) investigated the effect of remittances on poverty reduction and inequality in Guatemala. He found that both internal and international remittances reduce the level, depth, and severity of poverty. His results also pointed out that, in contrast to other studies, the majority of remittance incomes are not spent on consumption goods and that households without remittances spend much on consumption goods like food and durables, while households receiving internal and international remittances spend less on consumption goods. In other words, at the margin, households receiving remittances actually spend less (not more) on consumption than do households without remittances. Similar results are also registered in Adams (2006) study on Ghana.

In the same vein, Adams (1991) studied the impact of migrants' remittances in reducing poverty, income distribution and development in rural Egypt and found the number of poor had decreased by 9.8 percent when taking into account income from remittances. He also found that while remittances have a positive impact on poverty, but a negative effect on income distribution. One of the main findings of the study is that the poor lack the means for migration, a factor that made these transfers one of the sources of inequality among the population. Taylor et al. (2005) also register similar findings in their investigation of the impact of changes in remittances on poverty reduction and inequality in Mexico, although the impact varied from region to region. Brown (1994) also found that migrants' remittances have a significant impact on savings and investment in Tonga and Samoa.

For the case of Sudan, there is a dearth of studies that used micro data on such issues. First, most of the studies on Sudanese migrants' remittances were conducted in the 1970s and 1980s and focused on the causes of immigration and characteristics of expatriates (e.g. GlalEldin 1980; GlalEldin 1985). Second, most lacked the sound methodologies and depended on qualitative analyses. For example, in a study of a sample of 2000 migrants, GlalEldin (1979) found that most of remittances directed toward consumption and durable goods and a few of these transfers go to the productive sectors like agriculture and industry. Moreover, GlalEldin (1979) pointed out that the flows of migrants' remittances were the main reason behind the high inflation rates and instability in such decades, as most of the money was invested in service sector and consumption goods. However, whether there are variations in the effect of remittances across regions and to what extent has not been adequately addressed.

Macroeconomic Impact of Remittances

At the macro level, migrants' remittance flows may lead to several positive effects on the economies of recipient countries. Because of the external hard currency that a country gets, intuitively, it appears that remittance inflow can foster economic growth and development through increasing saving, investment, consumption, income distribution and poverty reduction

But results of empirical studies have been mixed at best, with some pointing to their positive effects while others not. Those that established a positive relationship between the inflow of remittances and national economic growth include Adams and Page (2003) study on a group of poorer countries. Their findings indicate that remittances have the greatest effect on increasing incomes and reducing poverty and, as a percentage of the GNP, remittances have a significant and negative impact on poverty (where the elasticity of remittances with respect to poverty is about 1.6 percent). Hugo (2003) study also indicated that large inflows of remittances had significant and positive impact on the national growth of Asian countries, especially remittances that were sent through official channels. Ang (2007) has also corroborated the above findings.

Other studies have not found positive relationship. Jongwanich (2007), in his examination of the impact of workers' remittances on growth and poverty reduction in developing Asia-Pacific countries, found that while remittances do have a significant and positive impact on poverty reduction through increasing income, smoothing consumption and easing capital constraints of the poor, they have only a marginal impact on growth understood in terms of domestic investment and human capital development. Chami *et al.* (2003) have also established that there was an inverse relationship between remittances and economic growth because of what the authors called "Moral Hazard" —where remittances tend to make the recipient individual less willing to participate in the labor force in the community as well as looking for work.

Other studies have been inconclusive. Gytsos (2002), for example, found that the impact of remittances on output varies over time and across countries, while Acosta *et al.* (2007) found that remittances reduce poverty by increasing income growth and reducing inequality at the aggregate level, adding that remittances reduce poverty substantially but only when one does not correct for potential income of the migrants, and poverty reduction that is associated with remittances decreases substantially when one controls for 'counterfactual' of no migration. Similarly, Portes (2009) found that the effect of remittances on poverty and income distribution was positive and not one decreasing for the bottom 70 percent of the population in low income countries. In contrast, his results pointed out that remittances have negative and decreasing impact on the income for the top 20 percent of the population.

Overall, the above discussion has revealed that the literature on the impact of remittance inflow on national growth and poverty is extensive but inconclusive. However, there is a dearth of studies on such issues in Africa in general and Sudan in particular, as most of previous studies used old information and have focused only on the characteristics of migrants as well as the determinants of immigration (e.g. GlalEldin 1985; Elbadawi 1994). For example, Elbadawi (1994) study of the relationship between the exchange rate policy and remittances flows through official channels indicated that migrants' remittances have a considerable effect on the macroeconomic aggregates, such as GDP, total exports and total imports. But he did not focus on economic impact of remittances or the impact of macroeconomic policy in attracting remittances, which are the main issues in this chapter.

Therefore, this study contributes to the empirical literature using more recent information on migrant's remittances. In addition, Sudan witnessed considerable economic and social transformations in the last decade owing to oil exportation and secession of South Sudan; hence understanding the impact of remittances on Sudan's economy will be helpful to formulate appropriate policies to use these transfers for economic growth and development.

Methodology

Data Sources

To examine the impact of migrant workers' remittances flow on the national economy and household income in Sudan, the study undertakes the analysis at two levels — micro and macro levels — using primary and secondary data. The primary data used at the micro level analysis (i.e., the impact of remittances on households) were collected through household survey covering a sample of respondents drawn from both migrant and non-migrant households. On the other hand, secondary data used at the macro level analysis included published and unpublished literature, together with the official reports issued by the concerned entities, such as Sudan Central

Bureau of Statistics and the Secretariat of the Sudanese Working Abroad. Besides, other sources of macro data included, the Central Bank of Sudan, International Monetary Fund and World Bank (the definition and sources of secondary data are presented in Appendix (1)).

The study covered three of the 15 states comprising Sudan --Al-Gazeira State, Northern State and Khartoum State. These states were selected because they have the largest numbers of expatriates. The macro analysis covered the period between 1980 and 2010, as this period has witnessed many important economic developments, among which is adoption of what is known as “economic liberalization policies.” This period also witnessed realization of positive and sustainable growth in GDP, which is attributed, among other factors, exploitation of oil and the steady increase in Foreign Direct Investment (FDI). The data focused on the economic, social and demographic characteristics of the recipient families, in addition to the size of the remittance contributed families’ income and welfare.

Determining the Sample Size

In order to determine the sample size we used the simple random sample technique based on pilot survey. Therefore, the sample size for each state is calculated based on the following formula.

$$n = \frac{Z^2 pq}{d^2}$$

where:

n = the sample size; Z = the confidence level (i.e. Z value), where we use 95 percent confidence level, which corresponding to 1.96 z -score; p = proportion of the community (i.e. the ratio of migrants in population, which is based on pilot survey); $q = 1-p$; and d = error term, assumed to be 7 percent.

For the purpose of calculating the sample size, we make use of the pilot survey that covered 40 families for each state. The results of the pilot survey showed that the proportion of families that have migrants working outside Sudan is 39, 27 and 29 percent for Khartoum, Al-Gezeira and Northern State, respectively. Based on the above formula, actual samples size are 182, 150, and 161 families for Khartoum, Al-Gezeira and Northern States, respectively, with a total of 493 respondents. Taking into account the possibility of non-response of some of the respondents, we increased the sample size to 500 families.

The Models

Micro-level analysis

In order to be able to quantify the effect of remittances on household income, the study used the model employed by Adams (1991), which could be specified as follows:

$$INC = \beta_1 + \beta_2 EDU_i + \beta_3 Size_i + \beta_4 Sex_i + \beta_5 Mig_i + \varepsilon_i \dots \dots \dots (1)$$

Where

INC: predicted income

EDU: education

Size: household size

Sex: Dummy variable to capture sex of head of household

Mig: migration (dummy variable)

ε is error term.

Macro-level Analysis

At the macro level, the study has examined the impact of migrants' remittances on macroeconomic performance, focusing on the economic growth human capital. In this respect we used Economic Growth Model of Barro and Lee (1994) and Barro (1996). Therefore, the estimable growth could be specified as follows:

$$Y_t = \beta_1 + \beta_2 Y_{t-1} + \beta_3 INV_t + \beta_4 GOV_t + \beta_5 OPN_t + \beta_6 POP_t + \beta_7 HC_t + \beta_8 REM_t + \beta_9 OIL_t + \varepsilon_t \dots \dots \dots (2)$$

Equation (1) relates the economic growth (Y_t) (in equation (2)) to set of explanatory variables includes: domestic investment (INV), government spending (GOV), trade openness (OPN), human capital (HC) measured in terms of education attainment, population growth (POP), remittances flow (REM) and dummy variable to capture the impact of oil exportation on growth, takes the value of one after 1998 and zero otherwise. The definition and sources of data used in the analysis are presented in Appendix (1).

Besides, in order to understand the effect of remittances on economic development, the study examines its effect on human capital, measured in terms of education. Thus, we used Human Capital Model, which is expressed as follows:

$$HC_t = \beta_1 + \beta_2 Y_t + \beta_3 GOV_t + \beta_4 OPN_t + \beta_5 INF_t + \beta_6 REM_t + \beta_7 OIL_t + \varepsilon_t \dots \dots (3)$$

where HC (the dependent variable) is the human capital, measured in terms of the average years of schooling. Y is the GDP growth, GOV is the government spending, OPN is the trade openness, INF is the inflation rate and REM is the remittances flow. The OIL variable is the dummy to capture the impact of oil exploitation in human capital. The definitions and sources of the data are presented in Appendix (1).

Overview of Sudan's Economy and Migrant Remittances

Being one of the largest countries in Africa, Sudan is endowed with a wide variety of natural and human resources. Specifically, the country has about 200 million hectares of arable land, a huge number of livestock estimated at 132 million heads in 2003, forest area about 64 million hectares, in addition to its considerable water resources and rains with an annual amount of 109 billion cubic meters. Moreover, the country has a considerable oil resource, estimated at 6.6 billion barrels of proven reserves at the end of 2007 or 0.53 percent of the world's reserves (British Petroleum 2008).

According to the last population census in 2008, Sudan is home to 39.15 million inhabitants with population growth rate of 2.9 percent per year and population density exceeding 50 people per square kilometer (CBS, 2008). The numbers of young people represent about 46 percent of total population and this denotes the availability of a young labor force. Moreover, the population distribution indicates that about 64.5 percent and 35.5 percent live in the rural areas and urban centers, respectively (CBS 2008).

The commercial exploitation of oil in 1999 led Sudan economy to experience considerable improvements in terms of increasing GDP growth rate, price stability, stimulating investment and improving the standard of living. Thus, oil became a transition point in Sudan's economy and it is expected to be the basis of the economy in short and long-run. As indicated earlier, there has also been a steady flow of hard currency through remittances from Sudanese migrants in the Arabian Peninsula since the 1970s.

The Structure of Sudan's Economy

Like other developing countries, Sudan's economy is characterized by a traditional structure, and consists of a huge agricultural sector and limited industrial base. However, this section will briefly review the real sectors of the economy namely, agriculture, services and industrial sector. In this respect the focus will be in the contribution of these sectors to the GDP.

Agriculture is a leading sector in Sudan's economy, with a great role and contribution to the economic growth, employment and development since independence. Meanwhile, the economic potentials and tremendous amount of water resources, including the Nile and its tributaries, rain, a huge area

of arable land and other geographical endowments of the country have all been such that agriculture formed the main basis of Sudan's economy.

Traditionally, the Sudanese agricultural sector is divided into three main sub-sectors: irrigated, rain-fed, and the livestock sector. Almost all of irrigated land is entirely owned by the state. Land in this sector is irrigated from the Nile and its tributaries. Besides, there are the flush irrigated areas, which include El Gash and Tokar Deltas in Eastern Sudan. The most important crops grown in this sub-sector are cotton, sorghum, wheat, sugarcane and groundnuts. This sub-sector contributes on average about 13 percent to the GDP over the period 1990-2008. The rain-fed sub-sector is divided into two -- mechanized and traditionally rain-fed (Sudan Economic Report 2008). The latter dominates large parts of the country, particularly in the east and middle regions, namely, Gedarif, Damazine and Kordofan. The main crops cultivated in this sub-sector are sorghum, sesame, sunflower, millet, groundnuts and gum Arabic. Finally, livestock is an important agricultural sub-sector in terms of its contribution to the GDP and foreign exchange through the export of live animal, meat, and hides and skins. The potentials of Sudan economy in terms of huge number of animals and considerable area of natural pasture (about 24 million hectares) make livestock an important component of the agricultural sectoral economy of the country.

Nevertheless, in the last decade, the significance of agriculture in Sudan economy has deteriorated dramatically owing to the appreciation of exchange rate that resulted because of the influx of oil revenues. In the other words, before the oil exploitation, agricultural products, such as cotton and gum Arabic, were the main source of foreign currency; but in recent years their share has declined. In 2008 for instance, oil exports represent about 95 percent of total exports, and the remaining part came from the agricultural and other sectors.

The agricultural sector is followed by the services sector as a significant sector in the economy. The services sector involves all non-agricultural and non-industrial activities. The most important of these are financial services, construction, transportation, communications, trade and the public services, such as education, health and other social services. However, the service sector has grown rapidly during last two decades due to the implementation of liberalization policies in the early 1990. Precisely, during the late 1990s and early 2000s periods, Sudan attracted a huge amounts of foreign direct capital, a large portion of it was invested in service industry, such as transportation, tourism and communication.

Moreover, the booming of oil industry in the recent decade has stimulated the service sector through increasing the price of services and development of other services like construction and transportation that complement the oil industry. For instance, the construction activities has rapidly grown in the last ten years, and reached 8 percent average of annual rate. In 2007, the construction industry had a 4 percent share of the GDP. Notably, the main

construction activities in recent decade include building of oil pipelines, refineries, road infrastructure works, power stations and dams. Finally, the telecommunication service also enjoyed a booming output since the early of 2000s, owing to the entry of foreign entities and competition in the market that ensued in its early stages of development.

Finally, like many developing countries, the industrial sector in Sudan is the smallest in terms of its contribution to the GDP, employment and growth. The history of Sudan's industrialization date back to the World War II period, when the British established some import substitution industries, including manufacturing soap, carbonated drinks, and other consumer items. But, these efforts did not continue and in the year of independence in 1956 the contribution of industry to the GDP did not exceeds 1.1 percent (Mahran 2007). In the post-independence era, the national governments paid a considerable attention to stimulate the economy via industrial progress. For example, the first development plan of 1961-1970 aimed at strengthening the industrial base and lunched many investment incentives. Throughout 1970s, several government and private factories based focused on local raw materials industries, such as sugar, fruit and vegetable canneries, textile, shoes and soft drinks were established. The new plants included two tanneries, a flour mill, more than twenty textile plants and three sugar factories, among which was the Kenana sugar-milling and refining factory.

During the 1980s and early 1990s the industrial output has steadily declined owing to the shortages of domestic and imported raw materials, power failures, transportation delays, lack of spare parts, and shortages of skilled workers (Mahran 2007). The Sudan economy at that time was also plagued by some economic problems, such as high inflation rate, unstable exchange rate and debt crisis. All these have added to the distortion of the manufacturing sector. In addition, low production of some enterprises was also related to misleading project planning, particularly those plants established in 1960s, such as Kareema date-processing plant and Babanosa milk plant. Therefore, in the 1980s, many factories operated below their potential capacity and at well under 50 percent.

However, in the last decade, the manufacturing sector has shown much y progress owing mainly to the advent of oil. Meanwhile, the government has given a great attention to the development of industrial infrastructure, including new roads and transportation means and activation of telecommunication services and power energy. The exploitation of oil also has contributed significantly to industrial sector via promoting other industries, like agricultural machineries and metal industries. Other factors that have positive contribution to the industrial sector include adoption of liberalization policies and the endorsement of the new Investment Acts.

In order to understand the importance of these main three sectors in Sudan's economy, Table 1 presents the shares of these sectors as percentages of the GDP during 1970–2009.

Table 1: The share of the main sectors in GDP

Year	Agriculture (percent)	Industry (percent)	Services (percent)
1970	43.6	14.4	42.0
1975	40.6	14.0	45.5
1980	32.9	14.1	53.0
1985	31.8	17.6	50.6
1990	29.8	15.2	55.1
1995	29.8	15.1	55.0
2000	41.7	21.5	36.8
2005	34.2	27.4	35.5
2009	29.69	26.01	44.30
Period average	34.89	18.36	46.74

Source: Central bank of Sudan, Annual Reports (various issues), the Central Bureau of Statistics and own calculation.

Table 1 shows that during the period 1970-2009, the agricultural and services sector dominates the GDP, while the industrial sector appears to have a little contribution. Over the entire period of 1970-2009, agriculture accounted for an average of 35 percent of the GDP. Between the 1980s and 1990s, the share of agricultural sector has severely declined to 32.9 percent and 29.8 percent, respectively. This decline is attributed to the natural factors affecting the economy during that period. For example, in the 1983/84 and 1990/91 Sudan has suffered from devastating waves of droughts and desertification, which resulted in deterioration of agricultural production and the loss of a large part of the livestock. Despite the shift in policy toward economic liberalization and privatization during the 1990s, together with the advent of oil, agriculture remained the backbone of the Sudan's economy. However, as indicated in Table 1, agriculture contributed about 30 percent of GDP in 2009. Also, the sector constituted the main source of livelihood for more than 80 percent of the population and supplied nearly all raw materials for Sudanese agro-industries, such as sugar, textile, leather and food-processing (Mahran 2007).

Subsequently, the services sector has exhibited a rising contribution to the national income, during the last four decades. In some years, the service sector contributed to the GDP equal to the contribution from the agricultural sector to the GDP and in others its share exceeded that of agriculture. As shown in the Table 1, over the period 1970-2009, the average share of services sector in the GDP is about 46.7 percent, while agriculture registered an average of 34.9 percent. This typifies the economic structure of many developing countries and reflecting the structural changes that have taken place in the economy during such period, which favored service industries at the expense of productive activities like agriculture and manufacturing.

In contrast to agricultural and services sectors, industrial sector accounted for a smaller share in GDP, as shown in Table 1. Over the period under consideration the industrial sector contributed, on average, about 18.4 percent to the GDP. As discussed earlier, the industrial sector in Sudan was adversely affected by many problems related to the economy, such as inappropriate economic policies higher inflation rate and the competition of imported goods. All these have resulted in further deterioration and fluctuation in industrial output. However, the contribution of the industrial sector (which include manufacturing and oil) to the GDP has significantly increased since 1999 when the oil sector begun production. Thus, in 2008, the sector registered it's the highest share of about 27.4 percent.

However, the above discussion reveals that the characteristics of real sectors in Sudan economy reflected the features of a developing country, where agriculture is the dominant sector and the industrial sector has small contribution, even after oil production began. On other hand, the country possesses a huge service sector, as evidenced by the structural changes that have taken place during the last five decades.

Trends of Migrants' Remittances Flow into Sudan

The remittances Sudanese working abroad send home have significant importance on Sudanese economy through provision of foreign currency which is reflected in other macroeconomic indicators of Sudanese economy, such as exchange rate, inflation, trade balance and GDP, etc. With respect to the evolution of the remittances flow, we observe that the absolute amount of remittances has increased steadily in the last two decades. Figure 1 below presents the trend of remittances flow into Sudan economy over the period 1977–2008.

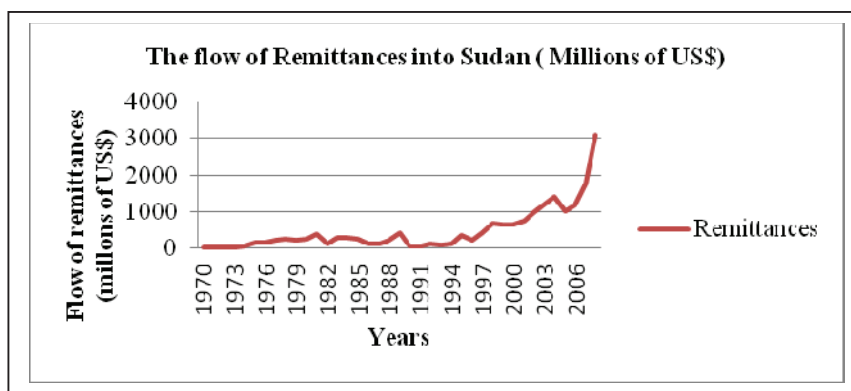


Figure 1: The Trends in Remittances Flow in Sudan (1977-2008)

Source: World Bank's Development Indicators.

It is clear that during the 1970s and the 1980s remittances reported a low amount, with fluctuations in some years. This because, the stock of

migrants during such periods was small and the country witnessed many economic and political transformations, which affected the remittances transmission. Notably, throughout 1970–1990 the country saw many waves of drought and famines as well as the eruption of civil war in South Sudan. Nevertheless, during the period 1978–1982 remittances witnessed a slight increase as a result of some legislative changes pertaining to foreign currencies. Accordingly, emigrants and residents were allowed to deal freely with hard currencies without restrictions. In addition, citizens were allowed to open bank accounts in foreign currency (Central Bank of Sudan 2008). Interestingly, over the period (1992–1994), the country has received a low amount of remittances, despite the reform policies launched by the government in the early 1990s. This is because a huge number of migrants in the Arab Gulf states returned back to Sudan during the Second Gulf War in 1990–1991. In addition, the unfavorable macroeconomic environment in the first half of 1990s in terms of high inflation, expansion of parallel activities and high black market exchange premium negatively affected the flow of remittances through official channels (Ebaidalla and Edriess 2012).

By the end of the 1990s and following the commercial exploitation of oil, the amount of remittances has increased dramatically and contributed, on average, about 5 percent to the total GDP in the last ten years. The boost in remittances has been attributed mainly to the improvement of the macroeconomic environment due to huge oil windfalls. Notably, in the last decade, the country has achieved high and positive growth rate in the region with an average of 7 percent during 2000–2008; the inflation rate also registered a single digit with average of 9 percent at the time (Central Bank of Sudan 2008). Moreover, the influx of oil mitigated the exchange rate volatility via reducing the black market premium (Ebaidalla and Edriess 2012). All these variables had a clear impact on remittance increases, with an average of about USD1.27 million over the period (1999–2008), thanks to oil revenues in stabilizing the macroeconomic environment that helped attract remittances amounting more than USD3 billion in 2008.

In accordance with the contribution of remittances to total capital flows, Figure 2 reveals that remittances sent home by Sudanese nationals working abroad is the largest source of external capital, after foreign direct investment (FDI). Moreover, the recorded remittances received by the country during the last two decades are as large as the official development assistance, with nearly one third of the total capital flows. Therefore, this implies that the inflow of remittances represents an important source of external finance in Sudan.

Given that the amount of remittances reflects only the officially recorded transfers, the actual amount transferred through informal channels is expected to be significantly larger, making the total remittances flow the largest source of external capital in the country². It's worth mentioning that most of the remittances are transmitted through unofficial channels and in

kind, but a few of these are transmitted via the formal channels, such as banks and money exchange companies. Generally, there are no official data on the size of unrecorded remittances in Sudan; however, according to Elbadawi (1992), the amount of remittances flow into Sudan transmitted via official channels during (1970–1989) did not exceed 23 percent of total remittances.

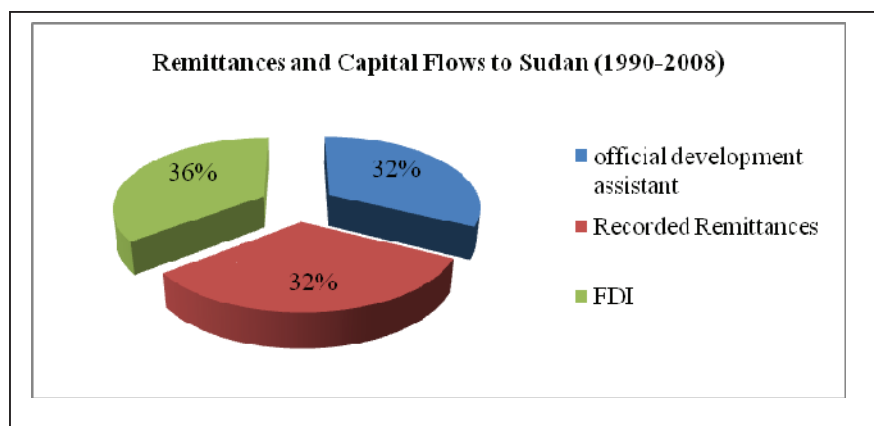


Figure 2: Remittances and Distribution of Capital Flows (1980-2008)

Source: Central Bank of Sudan (CBOS) Annual Report- Various Issues

The significant role of remittances in the Sudanese economy could be shown through its contribution to the income and foreign trade. Figure 3 illustrates the contribution of remittances as a source of foreign exchange compared with other relevant indicators in the economy, such as exports, imports and the GDP. The figure shows that remittances flow has a considerable contribution to the Sudanese economy. The share of remittances with respect to the GDP, total export and imports on average was 3.26 percent, 35 percent and 19.33 percent, respectively, over the period 1990–2008. Over the period 1980-1994, the remittances had a low contribution to the GDP, exports and imports, with average of 3.6 percent, 39 percent and 14.4 percent, respectively. This is due to the low remittances flow which resulted from economic distortions in terms of high inflation rates and unstable exchange rates during the period. Interestingly, after the second half of the 1990s, the contribution of remittances to other variables (income and foreign trade) has reported an upward trend, influenced by the improvement of macroeconomic performance that accompanied the exploitation of oil. Thus, the share of remittances in the total exports reached its peak in 1998 with 91 percent, and maintained an average of 40 percent during 2000–2008. (Please see Appendix 3 for more on this.)

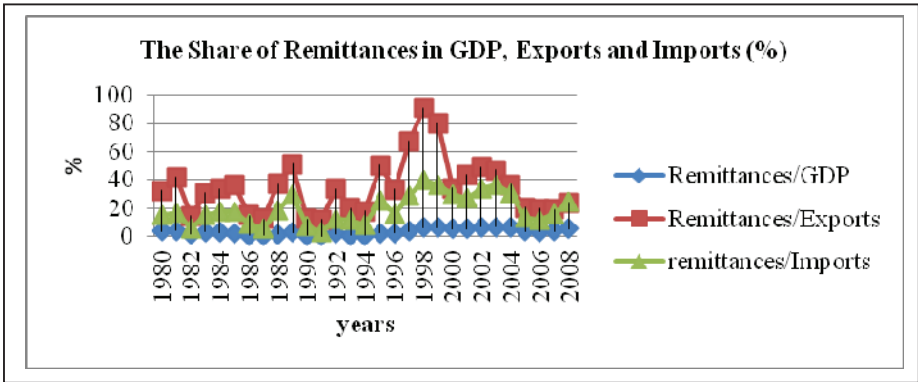


Figure 3: The Share of Remittances to GDP, Exports and Imports (1990–2008)

Source: Adapted from World Bank’s Development Indicators and the Central Bank of Sudan.

Analysis of Descriptive and Empirical Results

Micro-level Data Analysis

At the macro-level, we focus on the impact of remittances on household income, expenditure, investment and human capital level. The analysis will involve mainly quantitative approach. First, the quantitative method will be used to examine the demographic and socio-economic profile of remittances recipients’ households, in addition to various issues related to the contribution of households welfare.

We begin our analysis by presenting and discussing the findings of the survey which was conducted in three states (Khartoum, Gezira and Northern states). The survey covered 500 households in the three states and it included people living in both urban and rural residential areas. Respondents were selected from 22 residential areas in 12 localities as indicated in Table 2 and Table 3. The majority of the households (about 77 percent) are headed by males, specifically the father, while female headed household represent only 5 percent of total households (Table 4).

Table 2: Distribution of respondents by localities

	Frequency	Percent
Greater Medani	50	10.0
Omdurman	49	9.8
Bargaig	54	10.8
Central Khartoum	21	4.2
Southern Khartoum	19	3.8
Elhasahisa	50	10.0
Soba Elshuhada	20	4.0
Khartoum North	13	2.6
Dungla	96	19.2
JabalAwleya	41	8.2
Eastern Nile	37	7.4
Eastern Gezira	50	10.0
Total	500	100.0

Table 3: Distribution of respondents by residential areas

	Frequency	Percent
Wadi Khalil	53	10.6
Wad Nobawi	12	2.4
Um elquraa	26	5.2
Elboydaa	3	0.6
Elthawra	37	7.4
Elhalfaya	9	1.8
Elhajyousif	42	8.4
Khartoum 3	21	4.2
Elhasahisa	25	5.0
Elsajana	20	4.0
Elsahafa	20	4.0
ElsheikhSherif	7	1.4
Elkakalkla	40	8.0
Arbaji	25	5.0
Erdati	22	4.4
Branko	21	4.2
Hantoub	25	5.0
Haj Zimar	20	4.0
Rufaaa	25	5.0
Surtood	6	1.2
Kabtood	16	3.2
Awooda	25	5.0
Total	500	100.0

Table 4: Head of the household

	Frequency	Percent
Father	384	76.8
Mother	27	5.4
Others	89	17.8
Total	500	100.0

Housing Conditions of the Respondents

Housing conditions is one of the important indicators of the general socioeconomic conditions of a household. Therefore, we tried to investigate the housing conditions of respondents in terms of ownership, building material and sources of water and energy. As indicated in Table 5, most of the respondents are living in their own houses while about one fifth are not living in self-owned houses.

Table 5: Housing characterizes

	No. (N=500)	Percentage (T=100 percent)
<i>Type of ownership</i>		
Self-owned	394	78.8
Rented	36	7.2
Gifted	2	0.4
Inherited	54	10.8
Others	14	2.8
<i>Building material</i>		
Red brick	396	79.2
Cement brick	8	1.6
Clay	96	19.2
<i>Source of water</i>		
Piped water	496	99.2
Water tank in the neighborhood	1	0.2
Excavation	3	0.6
<i>Type of sanitary facility</i>		
Borehole	236	47.2
Modern sewage system	262	52.4
Not available	2	0.4
<i>Source of energy for cooking</i>		
Firewood	13	2.6
Cooking gas	487	97.4
<i>Source of energy for lighting</i>		
Generator	3	0.6
Public grid	447	89.4
Others	50	10.0

With regard to building material, almost all of the respondents' houses are built of fixed material like red bricks and concrete. However, about one fifth of the houses are built of clay which is so common in villages in rural areas. Moreover, piped water represents the main sources of water supply for almost all houses. As for sources of energy for cooking and lighting, about 90 percent of the households are covered with electricity supply from the public grid. From this description, it could be concluded that the majority of the respondents are enjoying decent standard of living as indicated by their housing conditions.

Basic Socioeconomic Characteristics of the Respondents

The basic socioeconomic characteristics of the respondents are summarized in Table 6. More than two thirds of the respondents live in urban areas and one third live in rural areas. This fact indicates that the flow of migration included people living in both urban and rural settlements. The relatively larger number of respondents from urban areas could be attributed to the continuous increase in the number of urban dwellers caused by unbalanced development and lack of basic services and employment opportunities in these areas.

Gender distribution of the respondents is quite balanced, as indicated in Table 6, with minor difference in favor of male respondents. As for age distribution, about half of the respondents are between 30 and 50 years. This indicates that the majority of the respondents had adequate knowledge and experience pertaining to the research topic.

Educational attainment of the respondents revealed that about 94 percent of the respondents are literate. Besides, more than 60 percent of the respondents have secondary, university and post graduate education. The relatively high educational level of the respondents is also a good indicator for the overall socioeconomic conditions of the households surveyed.

Marital status of the respondents show that about 75 percent of them are married and about one fifth are single, while the remaining 5 percent are either divorced or widowed. Occupational distribution of the respondents shows that more than 40 percent of them are self-employed, i.e. they own their own business in various economic activities. Government and private sector employees represent about 30 percent of the respondents. Finally, total monthly income, which is estimated including all the potential sources of income for the household, is shown Table 6. About 40 percent of the households have total monthly income ranging between Sudanese Pound (SDG) 1,000 – 3,000 and 5 percent of the respondents are with income below SDG1,000. This indicates that the remaining 55 percent are enjoying income level above SDG3,000. This is also one good indicator for the relatively high standard of living enjoyed by the majority of the households covered by the survey.

Table 6: Basic socio-economic characteristics of respondents

	No. (N=500)	Percentage (T=100 %)
<i>Pattern of Living</i>		
Urban	314	62.8
Rural	186	37.2
<i>Sex</i>		
Males	255	51
Females	245	49
<i>Age</i>		
Less than 20 years	24	4.8
20-29	77	15.4
30-39	141	28.2
40-49	119	23.8
50-59	77	15.4
60-69	49	9.8
70 +	13	2.6
<i>Education</i>		
Illiterate	30	6.0
Read and write	64	12.8
Primary + Intermediate	84	16.8
Secondary	180	36
University + Postgraduate	142	28.4
<i>Marital Status</i>		
Married	366	73.2
Single	104	20.8
Divorced or widowed	30	6.0
<i>Occupation</i>		
Farmer	32	6.4
Govt. Employee	61	12.2
Private sector employee	84	16.8
Housewife	24	4.8
Self employed	213	42.6
Unemployed	13	2.6
Others	73	14.6
<i>Total Monthly Income (L.s.)</i>		
Less than 1000	26	5.2
1000-2999	195	39.0
3000-3999	52	10.4
4000-5999	99	19.8
6000-7999	52	10.4
8000-9999	25	5.0
10000 +	51	10.2

General Characteristics of the Migrants

The survey revealed that about 88 percent of the households have at least one of its members who work abroad. Only 12 percent of the surveyed households had no migrant family members (Table 7). Therefore, it could be argued that migration is a common phenomenon within the Sudanese communities in both rural and rural areas. Moreover, as indicated in Table 8, about 10 percent of the migrant families have more than one member working abroad.

Table 7: Percentage of Households with Emigrant Members

	Frequency	Percent
Have emigrant member	440	88.0
Have no emigrant	60	12.0
Total	500	100

Table 8: Number of family members working abroad

	Frequency	Percent
One	400	90.9
Two	30	6.8
Three	10	2.3
Total	440	100

It is also important to notice that about 60 percent of the migrants are heads of households while 40 percent of the migrants are either sister, brother, son or daughter (Table 9). This indicates that the prevailing pattern of migration included all segments of the society.

Table 9: Position of the migrant within the household

	Frequency	Percent
Head of household	261	59.3
One of the parents	6	1.4
Sister or brother	30	6.8
Son or daughter	143	32.5
Total	440	100

With regard to the motivations behind migration, the survey revealed that the bulk of the migrants are seeking to increase their income, as shown in Table 10. The prevailing low wages and salaries in Sudan represent one of the most important motives for outside country migration. For instance, the current salary for university professor in Sudan is below USD400, as compared with at least USD3,000 in the Gulf countries. Moreover, high

rates of unemployment, particularly within youth, represent one of the causes of the outside migration. Besides, as indicated in Table 10, high cost of living in Sudan forced so many people to migrate in order to be able to meet certain types of expenses, such as education and health services which are witnessing steady increases. In addition, high cost of housing plays an important role regarding the decision to migrate. Last but not least, due to the limited incomes, a high rate of unemployment and limited coverage of the social security system in Sudan, most of the people don't feel secure and therefore they try to find a regular source of income through establishing different types of small businesses such as real estate, taxi, etc. In such cases, migration will be the only possible means for securing the fund for such investments.

Table 10: Reasons for migration

	Frequency	Percent
Enhance income	365	83.0
Cover education expenses	30	6.8
Build a house	25	5.7
Future investment	12	2.7
Others	8	1.8
Total	440	100

Some of the general characteristics of the migrants are provided in Table 11. Age distribution of the migrants shows that about 90 percent of the migrants are above 30 years old. This fact indicates that the greater part of the migrants have accumulated work experience that benefits the receiving countries. With regard to occupations, we find that the category of the physicians and university professors represents more than 40 percent of the total number of migrants. These figures refer to the challenge of what is known as the "brain drain" that labor exporting poor countries like Sudan face. These two categories represent a real loss for countries like Sudan whose challenges include rendering health and education services beside the high investment cost incurred in these two categories of professionals. In fact, international migration is becoming highly selective due to high competition in the labor markets of the importing countries. Table 11 also shows that educational attainment of the migrants is rather high. More than 40 percent of the migrants have either completed their university education or have post-graduate certificates. As stated earlier, this is also one of the signs of migration selectivity and the persistent challenge of brain drain phenomenon. However, on the positive side, highly qualified migrants have better earnings and therefore can better benefit their families and home countries.

Table 11: Socioeconomic characteristics of the migrants

	No. (N=400)	Percentage (T=100 percent)
<i>Age</i>		
Below 20 years	5	1.1
20-29	47	10.7
30-39	138	31.4
40-49	144	32.7
50-59	77	17.5
60-69	28	6.4
70 +	1	0.2
<i>Occupation</i>		
Physician	20	4.5
University professor	20	4.5
Teacher	8	1.8
Government employee	31	7.1
Private sector employee	188	42.7
Free lance	170	38.6
Others	3	0.8
<i>Education</i>		
Illiterate	3	0.7
Read and write	23	5.2
Basic (primary + intermediate)	76	17.3
Secondary	161	36.6
University	158	35.9
Post-graduate	19	4.3

Distribution of migrants by the recipient countries shows that about 70 percent of the migrants live in Saudi Arabia. Historically Saudi Arabia represented an important hub for all categories of Sudanese migrants. The rest of the emigrants are distributed among other Arab countries, particularly Qatar, United Arab Emirates, Libya, Kuwait, Bahrain, Oman, Yemen, Egypt and Iraq. Besides, more than 4 percent of the migrants are living in the United States of America (USA), Canada, Europe and Australia, while only three migrants are living in African countries namely Ethiopia and Congo (Table 12). Here it is important to mention that transfer of money to Sudan from Saudi Arabia and other Arab countries is relatively easy compared to USA and European countries due to economic sanction imposed on Sudan.

Table 12: Current country of residence for migrants

	Frequency	Percent
Saudi Arabia	309	70.2
United Arab Emirates	33	7.5
Bahrain	2	0.5
Yemen	1	0.2
Egypt	1	0.2
Kuwait	6	1.4
Iraq	1	0.2
Oman	4	0.9
Qatar	47	10.7
Libya	14	3.1
European Countries	10	2.3
USA	6	1.4
Canada	2	0.5
Australia	1	0.2
Ethiopia	1	0.2
Congo	2	0.5
Total	440	100

Size, Types and Transfer Methods of Remittances

As indicated in Table 13, the amount of remittances received by the surveyed households mostly range between SDG1,000 and SDG3,000 per month. It could be noted that these figures are quite consistent with the total income figures in Table 6, as this category of income was the biggest compared to others. Although these amounts of remittances seem to be high, in reality they are equivalent to between USD130 and USD400. However, the overall conclusion here is that these remittances in terms of their sizes and regularity play an important role in enhancing welfare of the recipient families.

Table 13: Amount of monthly remittances received by households (SDG)

	Frequency	Percent
Less than 1000	69	15.7
1000 -2999	264	60.0
3000 -3990	54	12.3
4000 -5990	31	7.1
6000 -7999	10	2.3
8000 +	12	2.6
Total	440	100

Methods of transferring remittances are depicted in Table 14. About 80 percent of the remittances are transferred through specialized money transfer offices. This method of transfer is preferred due to a number of reasons: it is secure, fast and has a low transfer fee. A very minor proportion (1.8 percent) is transferred through the banking system due to the unrealistic exchange rate applied by the banks on remittances which is very much lower than the prevailing rate in the parallel black market. Some of the migrant resort to sending the money with relatives and friends who are travelling to Sudan. Money exchange offices comprise about 9 percent of the money transferred from abroad. One important fact is that more than 90 percent of remittances are transferred in local currency rather than in foreign currency (Table 15). This of course limits the benefits of these remittances, as it remain outside the country. The money received in hard currency by the money transfer offices is mainly used for importing of unnecessary goods which are highly demanded in the local market.

Table 14: Methods of receiving money to home country

	Frequency	Percent
Banks	8	1.8
Money exchange office	39	8.9
Post Office	1	0.2
Travelers	40	9.1
Money transfer office	348	79.1
In kind	4	0.9
Total	440	100

Table 15: Type of currency used in transferring money

	Frequency	Percent
Foreign	42	9.5
Local	398	90.5
Total	440	100

Contribution of Remittances to Households Expenditure

Most of the respondents, more than 90 percent, stated that their remittances are mostly used to smooth consumption expenditure. Thus, the welfare impact of remittances is mostly channeled through its contribution to consumption expenditure rather than other items. In fact in the prevailing inflationary pressures and the prevailing high cost of living in Sudan make the potential contribution of remittances to saving and investment low, as indicated in Table 16.

Table 16: Expenditure items mostly preferred by households from remittances

	Frequency	Percent
Consumption	359	81.6
Education	30	6.8
Health	13	3.0
Housing	13	3.0
Investment	15	3.4
Saving	10	2.2
Total	440	100

Consumption Expenditure

As stated earlier, consumption expenditure comprises the largest part of remittances income. The survey revealed that about 50 percent of the households that receive remittance use about 41–65 percent the remittance for consumption. Only small proportion of the households devotes a less than 25 percent of remittance for consumption purposes, as shown in Table 17. Therefore, as mentioned earlier, the main impact of remittances on household welfare comes through its contribution to consumption expenditure.

Table 17: Expenditure on consumption (as percent of total remittances received)

	Frequency	Percent
Less than 10 percent	12	2.8
10–25 percent	27	6.3
26–40 percent	98	22.8
41–65 percent	215	50.0
66–80 percent	67	15.6
More than 80 percent	11	2.6
Total	430*	100

*Note that the total number of observations in this table and the next three tables does not add up to 440 as some of the expenditure items might be missing for some households

Expenditure on Education

The cost of education in Sudan is witnessing significant increase due to spread of private schools at the expense of public ones and the general increase in the cost of living. Therefore, remittances play an important role in securing the required financial resources for educational services. As Table 18 shows, portions of the remittances are allocated for education expenses. Nevertheless, the allocations for educations are considerably smaller than the amount allocated for daily consumption expenditure.

Table 18: Expenditure on education (as percent of total remittances received)

	Frequency	Percent
Less than 10 percent	64	21.1
10–25 percent	107	35.3
26–40 percent	105	34.7
41–65 percent	23	7.6
66–80 percent	4	1.3
Total	303	100

Expenditure on Health

Expenditure on health has no regular pattern as it is determined by the prevailing health status of the household members. However, the majority of the respondents allocate part of their remittances income for health expenses as shown in Table 19. Therefore, it could be argued that remittances have direct contribution to households' welfare through contribution to health expenditure which is quite crucial for ensuring access to health services.

Table 19: Expenditure on health (as percent of total remittances received)

	Frequency	Percent
Less than 10 percent	116	28.5
10 x–25 percent	151	37.1
26 x–40 percent	117	28.7
41–65 percent	20	4.9
66–80 percent	3	0.7
Total	407	100

Expenditure on Investment

As mentioned earlier, only small proportion of remittances is allocated for investment. One possible justification for the small share of investment expenditure is that consumption has the lion share within household budget. This makes the share of saving and consequently investment quite low (Table 20).

Table 20: Expenditure on investment (as percent of total remittances received)

	Frequency	Percent
Less than 10 percent	59	31.7
10–25 percent	49	26.3
26–40 percent	44	23.7
41–65 percent	23	12.4
66–80 percent	8	4.3
More than 80 percent	3	1.6
Total	186	100

Impact of Remittances on Household's Income

In order to be able to quantify the effect of remittances on household income, the study uses econometric methods. We follow the model employed by Adams (1991), which could be specified as follows:

$$INC = \beta_1 + \beta_2 EDU_i + \beta_3 Size_i + \beta_4 Sex_i + \beta_5 Mig_i + \varepsilon_i(1)$$

where,

INC: Predicted income

EDU: Education

Size: Household Size

Sex: Dummy Variable to capture sex of head of household

Mig: Migration (Dummy Variable)

ε is error term

This model relates household income to education, family size, sex of head of household and dummy variable of migration. The coefficients of education and household size are expected to be positive. The expected sign of sex of head of household is ambiguous, as some studies found that male has positive impact on income, while other reported inverse relationship. Finally, the coefficient of migration-dummy variable is expected to be positive, as migration increases the household' income through remittances. All variables are expressed in natural logarithm form, except the dummy variables.

Equation 1 is estimated using Ordinary Least Square (OLS) Method for a sample drawn from 500 families with migrants and non-migrants. The results of the estimation are presented in Table 21.

Table 21: Regression results of predicted household income, where the dependent variable is household income

Variable	Coefficient	t-statistics	Prob.
Constant	7.023	32.615	0.0000
Education	0.583	6.8136	0.0000
Household Size	0.213	2.391	0.0172
Sex	0.331	1.370	0.1712
Migration	0.154	4.428	0.0000
R-squared	0.38	F-statistic	4.8(0.0012)

Source: e-views output

Note: ***, ** and *, indicate significant at the 1, 5 and 10 percent level respectively

The results in Table 21 show that all the explanatory variables carry their expected signs confirming most of previous studies (e.g. Adam 1991, 2004, 2006; Taylor *et al.* 2005). All the variables also are statistically significant at least at 5 percent, except sex. The coefficient of education is positive as expected and this implies that improving in educational level of the head of the household increases the predicted income. The impact of household size is positive and significant, indicating that an increase in the number of family members increases its predicted income, confirming most of empirical studies. The coefficient of Sex is found to be positive as expected, but it is not significant. This result implies that male headed household is likely to gain high income. This could be explained by the fact that male has a better opportunity to access labor market than female, indicating gender differential in the area of the study.

Importantly, the dummy variable of migration has positive and significant impact on the predicted income of the household as expected. This finding implies that a family with expatriate receives more income than the family without person who working abroad. This result supports the descriptive analysis and indicates the significant impact of remittances on household income in Sudan since most of the families in both urban and rural area receive a considerable part of their income from relatives working abroad. This finding also confirms most of empirical results on the impact of remittances (e.g. Adam 1991 and 2006).

Macro Level Analysis

At the macro level the study has examined the impact of migrants' remittances on macroeconomic performance, focusing on the economic growth human capital. We used these indicators because one of our hypotheses is that migrant's remittances have positive impacts on economic growth and human capital in Sudan. Therefore, the analysis employed the econometric methods, using regression analysis.

Economic Growth Model

The growth model used in this study follows the neo-classic growth model of Barro and Lee (2000) and Barro (1996). Therefore, the estimable growth could be specified as follows:

$$Y_t = \beta_1 + \beta_2 Y_{t-1} + \beta_3 INV_t + \beta_4 GOV_t + \beta_5 OPN_t + \beta_6 POP_t + \beta_7 HC_t + \beta_8 REM_t + \beta_9 OIL_t + a_t \dots \dots \dots (2)$$

Equation 2 relates the economic growth (Y_t) to set of explanatory variables includes: domestic investment (INV), government spending (GOV), trade openness (OPN), human capital (HC) measured by education attainment, population growth (POP), remittances flow (REM) and dummy variable to capture the impact of oil exportation on growth, takes the value of one after 1998, and zero otherwise. The definition and sources of data used in the analysis are presented in Appendix (1).

According to theoretical and empirical studies the impact of investment on growth is expected to be positive. The effect of government spending is also expected to be positive, as an increase in government spending raises the national income. The coefficient of trade openness is ambiguous, since some studies show a positive link between trade openness and growth, while others found negative association between the two variables. The impact of population growth and human capital is expected to be positive. The coefficient of remittances is ambiguous, as discussed in the literature review. This model is estimated for the period 1980-2010.

Human Capital Model

To understand the effect of remittances on economic development, the study examines its effect on human capital, measured by education. Thus, estimable model could be expressed as follows:

$$HC_t = \beta_1 + \beta_2 Y_t + \beta_3 GOV_t + \beta_4 OPN_t + \beta_5 INF_t + \beta_6 REM_t + \beta_7 OIL_t + a_t \dots \dots (2)$$

where HC is the dependent variable is the human capital, measured by average years of schooling. Y is the GDP growth, GOV is the government spending, OPN is the trade openness, INF is the inflation rate and REM is the remittances flow. The OIL variable is the dummy to capture the impact of oil exploitation in human capital. All the variables are expected to have positive effect on the human capital except inflation. The definitions and sources of the data are presented in Appendix (1).

Model 2 and 3 are estimated using instrumental variables based on two-stage least squares method (2SLS). Due to the possibility of endogeneity problem, the analysis employed an instrumental variables technique (IV).

Indeed, some explanatory variables, such as investment and government spending might be correlated with residuals in the right hand side; thus, the instrumental variables were employed to remove the inconsistency caused by the influence of the residuals. Therefore, the results of the growth model, using the Two Stage Least Square Method (2SLS) are presented in Table 22.³

Empirical Results

In this sub section we present the econometric results of two regression models of growth and human capital. Prior to estimating these models, we test the properties of the variables, particularly the presence of unit root. In the literature, it is well known that any empirical work based on time series data requires that the underlying time series is stationary. The presence of no stationary variables might indicate the existence of what Granger and Newbold (1974) called a spurious regression. In this case, the results obtained suggest that there are statistically significant relationships between the variables in the regression model when in fact all that obtained is evidence of contemporaneous correlation rather than meaningful causal relations (see Cuthbertson *et al.* 1992). Therefore, all variables will be tested for unit root using Augmented Dickey-Fuller (ADF) and Philip-Perron (PP) tests (see Appendix (2) for more explanation of unit root test).

The results of stationarity test with and without trend are reported in Table 23. The results of the unit root tests indicate that all variables are nonstationary at level, i.e. they have unit root. When taking the variables in their first difference, the results show that all variables are stationary at first difference, i.e., $I(1)$ at 1 percent significant level, either by Augmented Dickey-Fuller or Philips-Perron test.

Table 22: The results of unit root test

Variable	ADF	PP	
	Constant	Constant + Trend	Constant Constant + Trend
GDP (Y)	-4.91***	-5.10***	-4.84*** -8.21***
INV	-1.52	-4.20***	-1.44 -1.87
GOV	-1.59	-2.10	-1.71 -2.09
OPN	-1.02	-2.06	-1.09 -2.03
POP	0.60	-4.79***	-1.50 -2.08
HC	-2.59	-1.62	-0.92 -0.28
REM	-1.81	-2.92	-1.79 -2.20
ΔGDP	-4.00***	-4.33***	-17.75*** -17.36***
Δ INV	-4.22***	-4.19***	-4.94*** -5.50***
ΔGOV	-4.65***	-4.78***	-4.63*** -7.28***
ΔOPN	-5.51***	-5.74***	-5.51*** -5.73***
ΔPOP	-4.37***	-4.47***	-2.23 -2.22
ΔHC	-3.40*	-2.46	-3.41** -3.21**
ΔREM	-4.96***	-4.86***	-6.00*** -6.10***

Note: ***, ** and *, indicate significant at the 1, 5 and 10 percent level respectively

Δ indicate the first difference

The maximum lag length selected is 4, based on (AIC)

Having established the tests of stationarity, the next step is to estimate our regression models of equation 1 and 2. Since all variables are stationary at first difference, we undertake the regressions using first differences. First, the estimation results of growth equation are presented in Table 23.

Table 23: The result of IV-2SLS method-growth model, where the dependent variable is GDP growth

Variable	Coefficient	t-statistics	Probability
Constant	-15.41163	-1.37	0.1859
D(GDP1(-1))	0.512356	2.48**	0.0219
D(INV)	0.884257	2.39**	0.0265
D(GOV)	-0.242697	-0.29	0.7684
D(OPN)	0.371333	2.59**	0.0175
D(POP)	-8.266913	-1.53	0.1397
D(HC)	8.5826	3.35	0.0032
D(REM)	1.197905	1.37	0.1833
OIL	5.767412	1.17	0.2531
R-squared	0.68	F-statistic	4.8(0.0012)
Adjusted R-squared	0.56	DW- test	2. 20

Note: ***, ** and *, indicate significant at the 1, 5 and 10 percent level respectively

Source: e-views output

The results in Table 23 show that the model has a high explanatory power with $R^2 = 68$ percent (that is, 68 percent of the variation in GDP is explained by all of the independent variables) of the dependent variable and a 4.8 F statistic, with 1 percent significance level. The Durbin-Watson (DW) test statistic of 2.2 indicates that the model does not suffer from serial correlation problem. The results show that all variables carry the expected sign except the government expenditure and population growth. The coefficient of lagged dependent variable is positive, implying that the economic growth influenced by the growth of national income of the previous period.

Investment is found to positively affect the economic growth in Sudan, as suggested by the theory. Unexpectedly, the coefficient of government expenditure has a negative signs, indicating that government spending exerts inverse impact on growth in Sudan. This finding implies that most of government spending allocated to current expenditure, while development project receives a little share. The trade openness has positive and significant impact on economic growth in Sudan, indicating that more trade openness is associated with high growth. Moreover, the effect of human capital, measured in terms of education, exerts positive impact on growth, as expected. The findings confirm the claim that improving of human capital in the last decade has played important role in economic growth in Sudan.

Interestingly, the impact of immigrants' remittances has a positive impact on economic growth in Sudan, but it is not significant. This result indicate that an increase in remittance by one percent raise the economic growth by about 120 percent. Finally, the oil export coefficient bears a positive sign, implying that economic growth in the period followed the oil exploitation is positively influenced by the oil exports.

Secondly, to assess the effect of remittances in human capital, we estimated equation (3) using IV based on 2SLS. The results of estimation of human capital model are presented in Table 24.

Table 24: The result of IV-2SLS- human capital

The dependent variable is the Human Capital			
Variable	Coefficient	t-statistics	Prob.
Constant	0.004086	0.46	0.6447
D(HC(-1))	0.930672	8.59**	0.0000
D(GDP)	1.47E-05	2.09**	0.0483
D(GOV)	-0.000718	-2.50**	0.0207
D(OPN)	-6.53E-05	-0.33	0.7393
D(INF)	-6.70E-05	-1.93*	0.0667
D(REM)	0.001342	1.98*	0.0599
OIL	-0.001658	-0.45	0.6560
R-squared	0.95	F-statistic	67.58(0.0000)
Adjusted R-squared	0.94	DW- test	2. 11

Source: e-views 5 output

Note: ***, ** and *, indicate significant at the 1, 5 and 10 percent level respectively

The results in Table 24 show that the model has a good explanatory power, as indicated by the high value of the squared R (about 95 percent) and the significance of the F statistic. The size of national income measured by GDP growth has a positive effect in human capital as expected. This finding confirms the results found by many empirical studies (e.g. Jongwanich 1997). Unexpectedly, the effect of government spending is found to be negative, implying that an increase in government spending discourages human capital in Sudan. This result could be explained by the fact that most of public revenues are spent in unproductive sectors like defense, which lead to detrimental effects. The impact of trade openness also is found to be negative, but it is not significant. Moreover, the coefficient of inflation is negative, implying that an increase in inflation reduces human capital. This is because inflation reflects the problem of economic instability, which is considered to have negative impact on the human capital.

Importantly, the effect of workers' remittance is found to be positive as expected. This result indicates that the flow of remittances encourages human capital development in Sudan. This finding also means that part of remittances sent by national working abroad is allocated to education and health care purposes. Besides, a significant contribution of remittances to consumption expenditure, as indicated earlier means freeing some of household's resources for health and education. Finally, the impact of dummy variable of oil is found to be negative, but it is not significant.

Conclusions and Policy Implications

This study is intended to examine the role of remittances in the growth and economic development in Sudan through identifying the role of remittances in supporting national income as well as household's income in Sudan. The study undertakes the analysis at two levels: micro and macro levels. Therefore, the study makes use of both primary and secondary types of data. The primary data for the micro level analysis (i.e., the impact of remittances on households) was collected through a household survey covering a sample of 500 respondents drawn from both migrant and non-migrant households. The study covered three states Al-Gazeira state, Northern state and Khartoum state. On the other hand, secondary data sources were used at the macro level analysis. The macro analysis covered the period between 1980 and 2010, as this period has witnessed many important economic developments, important among which, is the adoption of what is known as the "economic liberalization policies." This period also witnessed realization of positive and sustainable growth in GDP which is attributed, among other factors, to the exploitation of oil and the steady increase in Foreign Direct Investment (FDI).

One of the main findings of the study is that the absolute amount of remittances has increased steadily in the last two decades. The observed boost in remittances has been attributed mainly to the improvement of the macroeconomic environment due to huge financial windfalls because of oil. Moreover, the influx of oil mitigated the exchange rate volatility via reducing the black market premium and therefore contributed to attraction of remittances. The significant role of remittances in Sudan's economy is reflected in its contribution to income and external balance. In this respect, the evidence obtained from the survey revealed that about 90 percent of the households have at least one of its members who work abroad. Therefore, it could be argued that migration is a common phenomenon within the Sudanese communities and, therefore, it has significance impact of the well-being of a large segment of the population.

With regard to income, migration proved to have a positive and significant impact on the predicted income of the household. This finding implies that a family with a migrant receives more income than a family without. This result supports the descriptive analysis and indicates the significant impact of remittances on household income in Sudan, since most of the families in both urban and rural area receive a considerable part of their income from relatives working abroad. The study also indicated that the welfare impact of remittances is mostly channeled through its contribution to consumption expenditure. This indicates that remittances are one of the viable mechanisms for poverty reduction and improving living conditions of the population. As for the impact of remittance son economic growth, the study revealed that remittances have a positive impact on economic growth in Sudan though it is not significant.

Another important finding is that remittances have positive impact on human capital. This result, suggests that the flow of remittances encourages human capital development in Sudan. This finding also means that a large part of remittances sent by nationals working abroad is allocated to education and health care purposes. This conclusion is also supported by the survey results at the micro level. Significant proportion of remittances was found to be allocated for health and education.

It is quite evident that remittances play an important role at both the macro and micro levels of the Sudanese economy. However macroeconomic environment plays crucial role in attracting remittances through official channels. This would enhance the contribution of remittances to economic stability because it facilitates the inflow of foreign currencies into the economy. However, under the prevailing macroeconomic instability that resulted from loss of more than 75 percent of oil revenues following the secession of South Sudan, remittances can compensate part of oil revenue losses. This requires the creation of conducive macroeconomic environment through adoption of appropriate policies and measures pertaining to policy reforms as well as institutional and other sectoral reforms to eliminate black market trade in hard currencies and to encourage the inflow of remittances and investment by emigrant nationals.

The crucial roles played by remittances in enhancing the welfare of the households in Sudan through supporting household income and expenditure requires further attention to the potential roles that remittances can play in poverty alleviation strategies and other social policies components. The concentration of migrants in one country, namely Saudi Arabia where about 70 percent of the migrants are living, as revealed by the survey involves a series of risks for the emigrants and the economy as well. For instance, any radical changes in the labor market regulations of the importing country can lead to far reaching impact of the migrants and their families. In this regard, the latest regulations that targeted foreign labors in Saudi Arabia are one good example for such types of risks that might face the emigrants.

Notes

1. This definition was used, which takes into account the income derived by Sudanese workers inside and outside Sudan, contrary to the Gross Domestic Product (GDP), which takes into account the value of goods and services produced within the country only
2. In the most developing countries more than half of remittances transferred through unofficial channels (World Bank, 2007). However, Sudan is not an exceptional case; the percentage of remittances flows through unofficial channels is larger, particularly during the times of economic crises. Therefore, the role of remittances in Sudanese economy is underestimated.

3. The instruments used in the analysis are the lagged of investment, government expenditure and economic growth.

References

- Acosta, P., C. Calderon, P. Fajnzylber and H. Lopez. 2007. "What is the impact of international remittances on poverty and inequality in Latin America?" *World Development*, 36:89–114.
- Adams, R. 1991. The effects of international remittances on poverty, inequality and development in rural Egypt. *Research Report, No. 86*. Washington, D.C.: International Food Policy Research Institute.
- Adams, R. 2004. Remittances and poverty in Guatemala. *Policy Research Working Paper, no. 3418*. Washington, DC: World Bank.
- Adams, R. 2006. Remittances and Poverty in Ghana. World Bank Policy Research Working Paper, no. 3838. Washington DC: World Bank.
- Adams, R. and J. Page. 2003. International migration, remittances and poverty in developing countries. *Policy Research Working Paper, no. 3179*. Washington, D.C.: World Bank.
- Ang, A. 2007. *Workers' remittances and economic growth in the Philippines*. Mimeo. Manila, Philippines: University of Santo Tomas.
- Barro, R. 1996. Determinants of economic growth: A cross-country Empirical study. *NBER Working Paper, no. 5698*.
- Barro, R. and J. Lee. 1994. Sources of economic growth. Carnegie-Rochester Conference Series on Public Policy.
- British Petroleum Statistical Review of World Energy. 2008. June. Available at: www.bp.com/statisticalreview.
- Brown, R. 1994. Migrants' remittances, savings and investment in the South Pacific. *International Labour Review*, 133: 347–367.
- Central Bank of Sudan. 2008. Bank of Sudan Annual Report. Khartoum, Sudan. Available at: <http://www.cbos.gov.sd/sites/default/files/annual08.pdf>.
- Chami, R., C. Fullenkamp and S. Jahjah. 2003. Are immigrant remittance flows a source of capital for development?" *IMF Staff Papers*, 52: 55–81. Washington, D.C.: International Monetary Fund.
- Cuthbertson, K., S. Halland M. Taylor. 1992. *Applied econometrics technique*. U.K.: Harvester.
- Ebaidalla, E. and A. Edriess. 2012. Flow of migrants' remittances into Sudan: The role of macroeconomic environment. *ERF Working Paper, no. 741*. Available at: <http://www.erf.org.eg/CMS/uploads/pdf/741.pdf>.

- Elbadawi, I. 1994. The expatriate workers' remittances, parallel foreign exchange market and macroeconomic performance in Sudan. *Journal of African Economies*, 3: 481–512.
- Elbadawi, I. 1992. Macroeconomic management and the black market for foreign exchange in Sudan. *World Bank Working Paper Series*, no. 859. Washington, DC.
- GlaEldin, M. 1985. Some aspects of Sudanese migration to the oil producing Arab countries during the 1970s. *Development Studies and Research Centre, University of Khartoum Monograph Series No. (24)*.
- GlaEldin, M. 1980. Some aspects of Sudanese migration to the oil-producing Arab countries. University of Pennsylvania, Population Studies Centre.
- GlaEldin, M. 1979. *Sudanese migration abroad*. Khartoum: National Centre for Research, Khartoum.
- Glytsos, N. 2002. Dynamic effects of migrant remittances on growth: An econometric model with an application to Mediterranean countries. *CEPR Discussion Paper No. 74*.
- Granger, C. and P. New bold. 1974. Spurious regressions in econometrics. *Journal of Econometrics*, 2: 1045–1066.
- Hugo, G. 2003. Migration and development: A perspective from Asia International Organization for Migration (IOM) Report. *International Labour Review*, 133: 357–367.
- Jongwanich, J. 2007. Workers' remittances, economic growth and poverty in developing Asia and the Pacific countries. *UNESCAP Working Paper*, No. 1.
- Mahran, H. 2007. Public policy and poverty reduction in Sudan, 1971–2002. **In** Ali, A. and Fan, S. (Eds.), *Public policy and poverty reduction in the Arab Region*. Kuwait: Arab Planning Institute.
- Portes, L. 2009. Remittances, poverty and inequality. *Journal of Economic Development*, 34:127–140.
- Taylor, J., J. Mora, R. Adams and A. Lopez-Feldman. 2005. Remittances, inequality and poverty: Evidence from rural Mexico. *Department of Agriculture and Resource Economics, University of California, Davis, Working Paper No. 05-003*.
- World Bank' Development Indicators. 2012. Accessed June 2013.

7. Appendices

Appendix 1: Definitions and sources of data used in the macro analysis

Variable	Definition	Source
GDP	Annual growth rate of real GDP	Central Bureau of Statistics, Sudan
INV	Domestic Investment, measured by fixed capital formation as share of GDP percent	Central Bureau of Statistics, Sudan and World Bank's World Development Indicators
OPN	Trade openness, defined as value of exports plus imports divided by GDP.	Central Bureau of Statistics, Sudan
GOV	General spending, is the government consumption measured as share of (GDP percent)	Central Bureau of Statistics, Sudan and Central Bank of Sudan
HC	Human capital is measured by average year of schooling, for population aged 15 and over.	Barro and Lee (2010)
REM	Remittances flow, measured as ratio of remittances to GDP, in US\$	World Bank's World Development Indicators and Central Bank of Sudan.
INF	Is the inflation rate, measured by the annual average of inflation rates	Central Bureau of Statistics and Central Bank of Sudan
OIL	Is dummy variable takes value of one after 1998 and zero otherwise.	

Appendix 2: Unit Root Tests

Empirically, there are number of tests to examine the presence of unit roots, among them are the Augmented Dickey-Fuller (ADF), Philips-Perron (PP), Dickey-Fuller generalized least square (DF-GLS) de-trending test proposed by Elliot et al and the Ng-Perron test. However, we will use ADF and PP tests, because they are simple and common used in most time series studies. Since the unit root tests are sensitive to lag length we will select the lag order based on the minimum value of Akiake Information Criterion (AIC) and Schwarz Criterion (SC). Generally, the stationary test based on an estimation of the following regressions:

$$\Delta y_t = B y_{t-1} + \sum_{j=1}^p \delta_j \Delta y_{t-j} + \varepsilon_t \dots \dots \dots (4.2)$$

$$\Delta y_t = a_0 + B y_{t-1} + \sum_{j=1}^p \delta_j \Delta y_{t-j} + \varepsilon_t \dots \dots \dots (4.3)$$

$$\Delta y_t = a_0 + a_1 t + B y_{t-1} + \sum_{j=1}^p \delta_j \Delta y_{t-j} + \varepsilon_t \dots \dots \dots (4.4)$$

Where y_t is the variable in question, a_0 is drift; t is a time trend; p is a lag length to ensure that ε_t is a white noise process. The difference between (4.2) and the other two regressions lies in the inclusion of the constant and trend term. In each case the null hypothesis is that the variable y_t is non stationary (i.e. $H_0 : B = 0$). Thus, the stationarity test based on the t -value associated with estimated coefficient of B (i.e. $t = B / s.e(\hat{B})$), which will be compared with the Makinnon critical values. The series are stationary if B significantly negative i.e. $B < 0$. The stationarity tests type ADF and PP will be performed for all variables, where both the levels (original series) and the differences of the series are tested for stationary.

Appendix 3: The percentage share of remittances in the GDP, exports and imports

Year	Remittances/GDP (%)	Remittances/Exports (%)	Remittances/Imports (%)
1990	0.50	18.55	8.68
1991	0.40	14.71	3.63
1992	1.76	55.82	13.89
1993	0.85	14.35	6.47
1994	0.84	20.46	9.23
1995	2.50	62.30	29.22
1996	1.66	35.71	14.72
1997	3.51	70.62	29.51
1998	6.10	71.29	39.64
1999	4.53	69.26	52.95
2000	5.18	35.47	46.90
2001	5.53	45.38	36.53
2002	6.53	50.16	45.37
2003	6.88	48.13	48.25
2004	6.47	37.14	39.12
2005	3.71	21.06	17.09
2006	3.24	20.85	16.60
2007	3.83	19.92	22.91
2008	5.54	26.57	37.68
Average	3.26	34.96	19.33

Sources: Authors' calculation based on World Bank's world development indicators and the Central Bank of Sudan (CBOS) Annual Report- Various Issues.

CHAPTER SIX

The Impact of International Remittance on Poverty, Household Consumption and Investment in Urban Ethiopia: Evidence from Cross-Sectional Measures

Kokeb G.Giorgis and Meseret Molla

International Migration, Remittance and Poverty in Ethiopia

From the standpoint of economic development, the impact of international migration and remittances on poverty in the developing countries is tremendous. The remittances that are spent or used by households in recipient countries seem central to any attempt to evaluate the overall effect of international migration to developing countries, including countries in Sub-Saharan Africa (SSA).

According to the UN report, international migration is one of the vital factors that influence economic relations between developed and developing economies in the 21st century. At the beginning of the century, it was projected that around 175 million people -- nearly 3 percent of world population -- lived and worked outside the country of their origin (UN 2002). Based on World Bank (2013) report, the total migrant stock in Sub-Saharan Africa (SSA) reached 22 million in 2013. In 2010, the total Ethiopian migrant stock was about 620,000 and this was equivalent to about 0.7 percent of the 82.8 million population of the country in the same year. Of these, around 61 percent of Ethiopians reside in Sudan, the United States of America and Israel (World Bank 2011). Ethiopians in Western Europe and Saudi Arabia amount to 11.2 percent and 4.6 percent of the migrant stock, respectively, for the same period.

International migration of Ethiopians began as a result of the political turmoil that followed the onset of the Ethiopian Revolution in 1974. At the beginning, the young and the educated migrated to the West, mainly for political reasons. Later, however, the motives of Ethiopian migrants became economic because of the probable existence of a world where the 'grass is greener.' Environmental degradation, famine, and poverty are also some of the push factors for outmigration in Ethiopia apart from war and political violence. For poor households, migration was often seen as form of household income diversification. Some household members, especially the young, migrated to areas with better economic opportunities, while other household members stayed at home and benefitted from the remittances sent back (UNDP 2009). Even members of peasant households from the rural areas began flocking to the Middle East in search of jobs and better pay (Aredo 2005). As a result, the number of Ethiopians serving

housemaids in Saudi Arabia and other Arab Gulf countries is growing by the day because of the region's geographic proximity to Ethiopia and the nature of the labor market.

The remittance inflows (that is the transfer of money and/or goods to households by migrants working outside of their countries of origin) data for Ethiopia vary according to different sources. The latest data indicate that remittances grew steadily from USD27 million in 1995 to USD53 million USD in the year 2000, and reached USD524 million in 2012. It is expected to reach USD557 million in 2013 (World Bank 2013). On the other hand, according to the Ethiopian Government, remittance estimations for the first seven months of the Ethiopian budget year 2011/12 were USD1.74 billion, a figure much higher than the World Bank estimates. This would mean that remittances have surpassed export earnings of about USD1.6 billion and have become an important source of foreign exchange earnings for the country. Regardless of the accuracy of the remittance estimates by the World Bank or the Ethiopian Government, there is no doubt that Ethiopia has not benefitted maximally diaspora both in terms of financial resources and technical know-how its huge diaspora can bring to bear. Indeed, as Berhanu *et al.* (2004, cited in Aredo 2005) have indicated, remittance flow to Ethiopia is only one-sixth of its potential and only covers eight percent of the nation's budget deficit. They point out that if the potential level of remittances were to materialize, it would exceed the level of official development assistance, which reached USD3.3 billion in 2008 (World Bank 2011).

According to the recent Interim Report on Poverty Analysis Study (2010/11) of the Ministry of Finance and Economic Development of Ethiopia, in 1994/95, the total population under the poverty line was close to 49.5 percent. Since then, it has declined to 38.7 and 29.6 percent in 2004/05 and 2010/11, respectively. The reduction in the poverty levels coincided with higher numbers of migrants who left the country over the last twenty years. Thus, it is important to examine remittances affect poverty and how remittances are spent by households in order to design remittance policies to further alleviate poverty and enhance household investment. Surprisingly however, studies on how international remittances affect poverty in Ethiopia have been scant. To the best of our knowledge, we are aware of only two previous studies on Ethiopia – one that investigated the effect of international remittances on poverty and inequality (Berhe 2012) and the other that investigated the effects of remittances on household welfare (Lisa 2012).

Therefore, the study of the impact of international remittances on poverty, household consumption and investment in Ethiopia is significant for the following three reasons. First, remittance inflow to Ethiopia (and other developing countries) is increasing by leaps and bounds. Indeed, international remittances to Ethiopia have increased by more than nine folds to reach USD524 million in 2012 from a mere USD53 million in

2000. Despite this, little attention has been paid to examining the economic impacts of these transfers on households. The only paper worthy of mentioning is a study conducted by (Berhe 2012), which investigated the effect of remittances on poverty and inequality in Ethiopia. However, it had some limitations: first, it used old data sets, collected in 2004; second, it studied migration experience and remittances of households from data primarily collected to study urban poverty and not how international remittances affect poverty based on newly collected primary data, as this study will do.

Second, the impact of remittance on household consumption patterns and investment is controversial. For example, Castaldo and Reilly (2007) have found that households that receive international remittance in Albania spend more on durables and spend less on food compared to households which do not receive any form of remittances. Adams *et al.* (2008), on the other hand, have established that households in Ghana treat remittances like any other source of income and their marginal spending patterns do not depend on remittance income. But so far, no empirical research had been conducted on how international remittances are spent by households in Ethiopia. This study will help fill the existing research gap.

Third, Ethiopia has not put migrant remittances to optimal use and its effect on economic development of Ethiopia is not well understood, partly because it has not set up financial infrastructure for remittance inflows. In fact, as in most SSA, a significant amount of remittances go through informal channels and this discourages their use for savings and investment. Therefore, a study on the impact of remittances like this (1) calls for policy initiatives to develop financial structures and infrastructure for remittances and for pre-departure training on remittance management, and (2) can serve as an input for concerned authorities at different levels of government to understand the impact of international remittances on poverty reduction. That is, this study can inform the development and implementation of migration policies in Ethiopia in particular and SSA in general.

Theoretical and Empirical Review of the Impact of Remittance on Poverty, Household Consumption and Investment

Relatively little attention has been given to assess the economic impact of the ever-increasing size of official international remittances transferred on households in developing countries. A host of key policy questions thus remain unanswered. From a recipient country's economic development perspective, the two key questions central to international remittances are: What are the effects of international remittances on poverty? And how are remittances spent or used by households in migrant origin countries?

By and large, the impacts of international remittances on the economy of the migrant sending developing countries are inconclusive. Accordingly,

there are two principal perspectives in the literature: the neo-liberal-perspective, which contends that remittances enhance effective demand for local goods and services, facilitate the development of local capital markets, and boost prolific infrastructure; and the historical-structuralist perspective, which contends that remittances create dependency and create macroeconomic imbalance in developing countries with low level of GDP and may also aggravate income disparity (Page and Plaza 2005).

At the empirical level, a vast majority of studies indicate that remittances have played a positive role in reducing poverty and in increasing the welfare of households and communities even if there is a possibility for worsening income inequality (Adams, 2006; Adams and Cuecuecha 2010b; Lisa 2012). For example, using household survey data for 71 developing countries, Adams and Page (2005) concluded that for every 1 percent rise in international remittance, the share of people living in poverty will decline on average by 0.35 percent. Similarly, Gupta et al. (2009), using aggregate data from 24 Sub-Saharan African countries, reported that even though the total formal remittance to the region is relatively small compared to other developing countries, its effect on reducing poverty was clear.

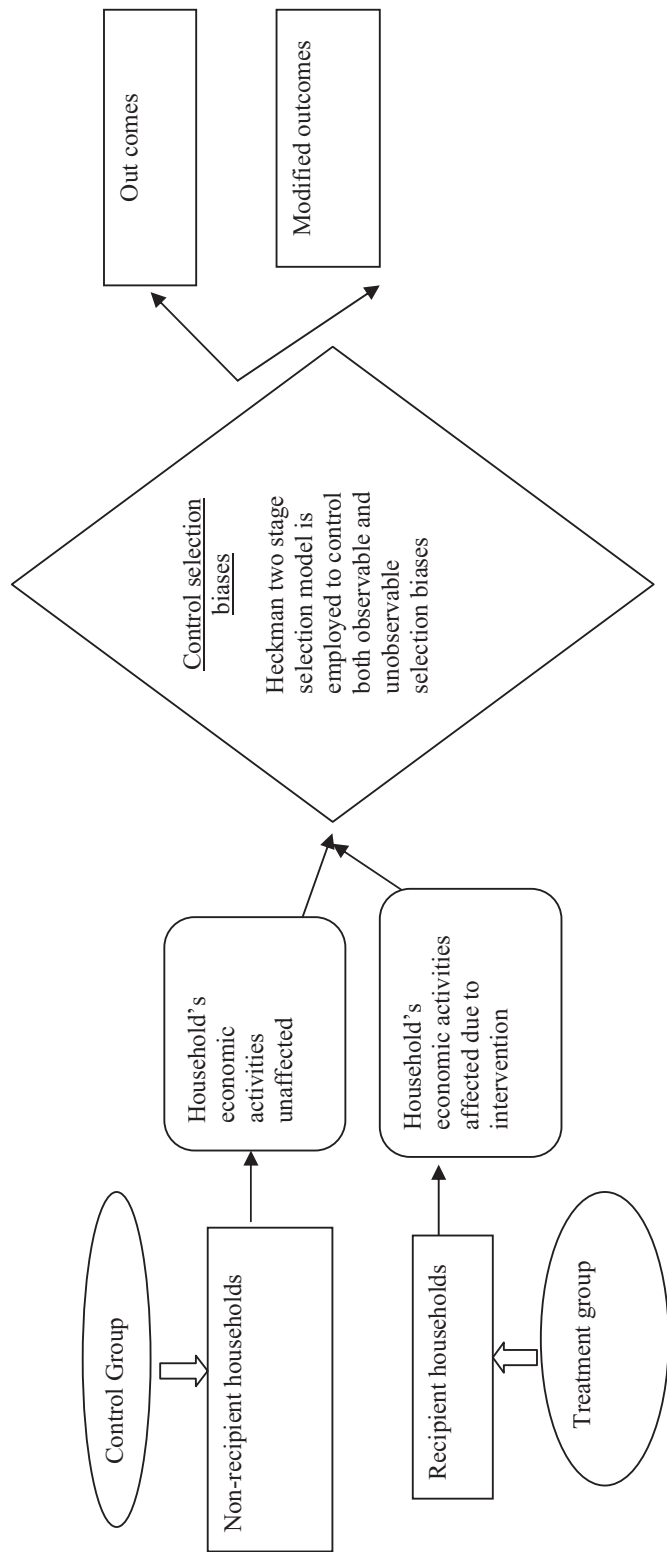
Some studies at the micro level, such as Adams (2005), have examined the impact of international remittances on poverty and income inequality in Guatemala and concluded that the overall remittances did not significantly reduce poverty in the country, as the head count ratio fell from 0.56 to 0.55. Wouterse (2008) have also concluded that remittances had a limited impact on social welfare but had aggravated income inequality. Others, however, have found that remittances had significant impact on poverty reduction. For example, Adams (2006) concluded that the level, severity and depth of poverty had considerably reduced in Ghana, with a decline in the severity of poverty by 34.5 percent. Somewhat similar findings were registered in Adams and Cuecuecha (2010b) in a study of households in Indonesia.

The only two studies on the impact of international remittance on poverty and inequality in Ethiopia, as indicated earlier, were Berhe (2012) and Lisa (2012). The former used urban household survey data collected in 2004 and concluded that remittances considerably reduced poverty, where the head count ratio fell from 30 to 25 percent. Similarly both the poverty gap and squared poverty gap ratios also decreased from 6.6 to 5.2 percent and from 2.2 to 1.7 percent, respectively. The Lisa (2012) study, more broad in scope than Berhe (2012), used the propensity score matching approach to investigate the impact of remittances on welfare of urban and rural households, and concluded that remittances positively affected household welfare. Our study, however, differs from the aforementioned primarily because it not only examines the impact of international remittances on poverty but also on how international remittances are spent by households in Ethiopia.

With respect to the impact of remittances on household consumption and investment, there is no strong evidence in the empirical literature on how are international remittances received are spent at household level. However, among others, there are three different perspectives on how remittances are spent by recipient households and their implication to economic development of the origin country. Perhaps the most dominant perspective contends that remittances are spent like any other source of income and are considered as fungible. In other words, a dollar of remittance income is considered as just similar to a dollar of salary/wage income and hence there was no difference on how households spend the remittance received. In a study on households in Ghana, Adams, Cuccuecha and Page (2008) have found that both internal and international remittances were spent like any other source of income, and that there were no changes in marginal spending pattern for households.

The second perspective argues that remittances bring about behavioral changes at the level of households. As a result, it is more likely that remittances are spent on consumption than on investment goods (Chami *et al.* 2003). The third and more recent perspective posits that households spend higher proportion of their income from remittances on investment goods, such as human and physical capital, than on consumption goods because incomes from remittances are temporary. Adams and Cuccuecha (2010a) have reported that remittance recipients in Guatemala marginally spent more on one investment good: education. Similarly, Hoyos (2000) study of remittance recipient households in Mexico and Ahmed (2000) study of households in Somaliland have both concluded that remittances and investments were positively correlated. Therefore, (1) given that empirical investigations on how remittances are spent have not been conclusive and (2) no recent empirical study exists on how international remittances are spent by households in Ethiopia, this study will help fill the existing gap in the extant literature, as indicated earlier.

It is important to note that a possible reason for the inconclusive findings on how remittances are spent by households is because a simple comparison of the incidence/level of poverty between groups of households that receive and that do not receive remittances may lead to biased results. This may be due to the fact that there are both observable and non-observable factors which affect migration and hence remittances, and sending household members abroad and hence receiving remittances is a non-random phenomenon. To correct this deficiency, the study employs the 'Model of Impact Chain,' where identification of selection bias (which could be observable or unobservable) will be the most important step and precondition for measuring the impact on household's welfare. A simple model for impact chain is presented in Figure 1.

**Figure 1: Model of Impact Chain****Source:** Adopted from Kiiru (2010)

The over-simplified model presented above explains how to capture the impact of an intervention, such as remittances on household's level of poverty. The methodology used to analyze the impact of remittances on poverty should therefore take into account these issues in order to arrive at unbiased results.

Methodology

Data Collection and Sampling

The unit of analysis is remittance and non-remittance receiving urban households selected from four major cities of the country, namely: Addis Ababa, the capital city of Ethiopia, and three regional cities— Gonder, Hawassa and Mekelle. The household from which the data was collected includes members who live together and have communal arrangements concerning subsistence and other necessities of life, and also those members who presently reside abroad whose obligations are to that household. Hence a person living abroad can in this way still be considered as member of the household.

The study was carried out in four purposely selected cities, taking into account different attributes, like cities' migration history and proportion of people who reside in these cities. According to the Ethiopian Central Statistics Authority (CSA) the projected population in 2012, based on 2007 population census, is 3.06 million in Addis Ababa, while 212,500; 254,300 and 273,500 in Hawassa, Gondar and Mekelle, respectively. Although the population of the four cities is 27.2 percent of the total urban population of Ethiopia in 2012, the findings for these four cities could offer insights about Ethiopia on the impact of international remittances on households' poverty, consumption and investment by comparing households that received international remittance with those who did not receive.

The data was collected from primary and secondary sources. Secondary sources include published and unpublished information on and related to the topic under investigation. However, the main data source of the study was a primary data collected from randomly selected urban households. The sample included households that currently have migrants abroad and those that have not. A total sample of 700 urban households was randomly selected. Of these, 304 households (about 43 percent) are from Addis Ababa, while Gonder, Hawassa and Mekelle each have a sample of 132 households, since the population size of these cities is more or less similar. Out of the total 700 households randomly selected, 636 households were interviewed between January and March 2013, with 9 percent non response rate.

The questionnaire was designed to collect relevant data to help answer the questions raised. Regardless of whether or not the household head was able to read and write, the data were collected by trained data collectors with the help of *kebele* administrators as local guides.⁹ To ensure the reliability and

validity, the questionnaire was pre-tested in Hawassa before the survey had been carried out. The questionnaire included detailed questions about the migration and remittance experiences of the household. In addition, questions related to household head characteristics, human capital, income, consumption expenditure and well-being of the households were included.

Households with international migrants and households with no international migrants were selected and interviewed. During data analysis, treatment and control households were matched using the Two-stage Heckman selection model and the Propensity Score Matching (PSM) method and to assess the impact of international remittances on poverty.

The sampling design is a combination of both probability and non-probability sampling. In particular, purposive and simple random sampling techniques were used. Cities were selected by using purposive sampling using their migration history and population size. The *woredas (kebeles)* in the respective cities were selected by simple random sampling. A total of five *kebeles* from the four cities were selected, of which two *kebeles* namely 'Kebele 08/16' from Gulelesub-city and 'Kebele16/18/21/22' from Bole sub-city were randomly selected from Addis Ababa. Similarly one *kebele* from each of the three other cities were also selected on similar fashion: 'Medihaniyalem' from Gonder, 'Mehalketema' from Hawassa, and 'Adihaki' from Mekelle. All of the households in the selected *kebeles* were interviewed if they have a family member/s outside of Ethiopia and whether or not a member remits money using filter questionnaire before the main questionnaire was administered.¹⁰ Based on the filter questionnaire, a sampling frame consisting of households that received an international remittance from abroad was constructed from this first visit.¹¹ All the households in the sampling frame were interviewed. To maintain the randomness, once remittance receiving households were interviewed, the nearest households with no international remittances were approached for comparisons. When two or more households were found at the same distance to a specific household that received remittances, one of the households was randomly selected and interviewed.

Methods of Data Analysis

Descriptive statistics such as mean, standard deviation, frequency and percentile were computed for the variables following the completion of data processing; and inferential statistics, including running t-tests for continuous variables and chi-square tests for dummy variables were conducted to detect statistically significant differences between households which received international remittances and those which did not.

The study assumes that remittances are endogenous (that is, they are a substitute for home or domestic earnings) in order to compare and contrast the observed (actual) level of poverty with counterfactual scenario (a scenario without migration and remittances). This scenario includes an imputation of the home earnings had the migrants stayed and worked at

home (Adams 2006). This latter treatment is the objective of the study and appropriate econometric techniques for this analysis have been adopted. Thus, following the majority of the literature on migration that assumes the existence of selection bias which can be observable or unobservable (skills, motivation and ability), this study applied two econometric tools to mitigate these biases: the Heckman two-stage selection model, which solves selection bias due to observable and non-observables, and the Propensity Score Matching technique, which handles biases due to observables, and then compares the results of both methods.¹²

In econometrics, households with international migrants and receive remittance are considered as treatment group while those households without international migrant and do not receive remittances as control group. The goal here is to make inference on the households with international remittances. This is the average treatment effect on the treated (ATT). ATT estimates on average how remittances would affect the level of poverty in households that receive remittances had those households not received remittance. In this approach, the focus is on determining whether poverty levels are lower in the actual scenario, with migration and remittances. The core of the methodology consists of estimating what the household's income would be if migrant members had decided to stay; that is, a counterfactual household's income needs to remove effects of migration on the earnings of the remaining household members (Adams, 1989). Hence, we use the following equations to estimate ATT.

$$T_i = \mu_1 + \beta_1 Z_i + \omega_1 H_i + \varepsilon_{1i} \dots\dots\dots(1)$$

$$Y_{0i} = \mu_2 + \beta_2 X_i + \omega_2 H_i + \varepsilon_{2i} \dots\dots\dots(2)$$

$$Y_{1i} = \mu_3 + \beta_3 X_i + \omega_3 H_i + \varepsilon_{3i} \dots\dots\dots(3)$$

where the first equation (1) models the treatment decision, whether or not a household receives remittances which depends not only on observable factors such as ' Z_i ' and ' H_i ' but also on unobservable factors, which affects the probability of migration and hence remittance. The second equation (2) models the outcome (Y) of non-treatment (with subscript 0) and Equation (3) models the outcome of treatment (with subscript 1). Where T_i represents the probability of migrating abroad and hence receives international remittance, Y_i is an outcome which is per capita household consumption expenditure, X_i is household level variables such as human capital, demographic and location variables; H_i is household head characteristics, ' Z_i ' are observable, and ε_i are error terms. Z_i includes all X_i and other observable variables as well.

The average treatment effect on the treated (ATT) can be given by

$$ATT(x) = \underbrace{E[Y_{1i}|T_i=1]}_{\text{observed}} - \underbrace{E[Y_{0i}|T_i=0]}_{\text{counterfactual}} \dots \dots \dots (4)$$

The ready candidate to proxy for the counterfactual is to use consumption expenditure/income of households without international remittance. This bias is referred to as the “selection bias” in econometrics and is given by:

$$Selection\ bias = ATT - \underbrace{ATT}_{\text{ATT}} = \underbrace{E[Y_{0i}|T_i=1]}_{\text{observed}} - \underbrace{E[Y_{0i}|T_i=0]}_{\text{counterfactual}} \dots \dots \dots (5)$$

Counterfactual proxy

Therefore, to capture the impact of international remittances on poverty, we used two different approaches: Heckman two stage selection model and propensity score matching approach. Each of these models is discussed as follows:

Heckman Two Stage Selection Model

Heckman two stage selection model is based on two equations: first, a choice equation which captures migration and the receipt of remittances; and second, household per capita consumption expenditure equation, which measures the determination of household consumption expenditure on the receipt of international remittances.

To construct the counterfactual scenario of no migration and no remittance, the first-stage choice function is the probability that a household has no migrant member abroad and hence receive no international remittances. Therefore, modifying equation (1) above by splitting Z_i in to X_i and θ_i , the type of selection equation can be estimated as:

$$T_i^* = \mu_1 + \beta_1 X_i + \alpha_1 H_i + \kappa \theta_i + \varepsilon_{1i} \dots \dots \dots (6)$$

where T_i represents the probability for no migration and, hence, receives no international remittance, X_i is a vector of household level variables such as human capital, demographic and location variables; H_i is household head characteristics and θ_i is age of household head which affects the probability of migration and hence remittance (but not household consumption function) and ε_{1i} is a error term.

In the second stage, counterfactual consumption function is estimated for those households who do not receive remittance. The following function is estimated for the subsample of households which do not receive remittances, modifying equation (2) by taking the logarithm of the outcome equation:

$$\log C_i = \alpha_0 + \beta_1 X_i + \alpha_2 H_i + \varepsilon_{2i} \dots\dots\dots(7)$$

where the dependent variable ' $\log C_i$ ' is the logarithm of per capita household consumption expenditure than household income. We use this to evaluate impact of remittance on poverty and most research outputs in developing countries like Ethiopia use expenditure rather than income to measure poverty because it is easier and more accurate to measure household expenditure than household income. X_i and H_i are defined the same way as in equation (6) and ε_{2i} is a disturbance term.

Evidence from migration literature shows that households which receive remittances are not randomly drawn from the whole population; therefore, using OLS method to estimate the consumption function will make the result biased, as there is self-selection. Hence, Heckman (1979) two-stage selection model is applied. In the first stage, the probability of having not an emigrant member abroad (and hence not receiving remittance) is estimated using the probit function. Then, the information from the probability regression will be used in the second stage of consumption function.

In equation (6), T^* is not observed, what is observed is only the sign of T^* , i.e., whether the household receives remittance or not, i.e.

$$T_i = \begin{cases} 1 & \text{if } T^* \geq 0 \\ 0 & \text{if } T^* < 0 \end{cases} \dots\dots\dots(8)$$

We observe the dependent variable Y_i in the objective function only for those households which do not receive remittances, or $T_i = 1$.

As discussed above, problems arise when estimating the objective function if ε_{1i} and ε_{2i} are correlated. We make the following assumptions about the distribution and relationship between the error terms of the selection and outcome equations:

$$\begin{aligned} \varepsilon_{1i} &\sim N(0, \sigma^2_1) \\ \varepsilon_{2i} &\sim N(0, \sigma^2_2) \\ \text{corr}(\varepsilon_{1i}, \varepsilon_{2i}) &= \rho \dots\dots\dots(9) \end{aligned}$$

This implies that the error terms in equation (6) and equation (7) are assumed to be jointly normally distributed, with mean zero and correlation ρ . Since the sign of T_i is only observed, we, then, have normalization $\sigma^2_2 = 1$.

Under the above normality assumption about the error terms and using equation (6) and (7), we have:

$$E(\log C_i / X_i, H_i, T_i = 1) = E(\log C_i / T_i > 0)$$

$$\begin{aligned}
 &= E(\mu_2 + \beta_2 X_i + \omega_2 H_i + \varepsilon_{2i} / \mu_1 + \beta_1 X_i + \omega_1 H_i + \kappa \theta_i + \varepsilon_{1i} > 0) \\
 &= \mu_2 + \beta_2 X_i + \omega_2 H_i + E(\varepsilon_{2i} / \mu_1 + \beta_1 X_i + \omega_1 H_i + \kappa \theta_i + \varepsilon_{1i} > 0) \\
 &= \mu_2 + \beta_2 X_i + \omega_2 H_i + E(\varepsilon_{2i} / \varepsilon_{1i} > -\mu_1 - \beta_1 X_i - \omega_1 H_i - \kappa \theta_i)
 \end{aligned}$$

Hence, we have to obtain the value of $E(\varepsilon_{2i} / \varepsilon_{1i} > -\mu_1 - \beta_1 X_i - \omega_1 H_i - \kappa \theta_i)$, when ε_{1i} and ε_{2i} are correlated. According to Green (2003), it is given by:

$$E(\varepsilon_{2i} / \varepsilon_{1i} > -\mu_1 - \beta_1 X_i - \omega_1 H_i - \kappa \theta_i) = \rho \lambda_i \left(\frac{\phi(\mu_2 + \beta_2 X_i + \omega_2 H_i + \kappa \theta_i)}{(\sigma \varepsilon_{2i})} \frac{\phi(\mu_1 + \beta_1 X_i + \omega_1 H_i + \kappa \theta_i)}{(\sigma \varepsilon_{1i})} \right);$$

where ϕ and Φ are, respectively, the density and cumulative normal functions. When we substitute it in the above equation, we get:

$$E(\log C / X_i, H_i, T_i = 1) = \mu_2 + \beta_2 X_i + \omega_2 H_i + \rho \lambda_i (\mu_1 + \beta_1 X_i + \omega_1 H_i + \kappa \theta_i) \dots \dots (10)$$

where the inverse Mills ratio is given by

$$\lambda_i = \frac{\phi(\mu_2 + \beta_2 X_i + \omega_2 H_i + \kappa \theta_i)}{\Phi(\mu_1 + \beta_1 X_i + \omega_1 H_i + \kappa \theta_i)} \dots \dots \dots (11)$$

Hence, to include the selection term in the consumption function above, we estimated lambda (λ) from the probit function of no migration and no remittances from equation (11). This ensures that the estimated value of λ_i is included in the consumption function. Hence, the function to be estimated in the second stage is:

$$\log C = \mu_2 + \beta_2 X_i + \omega_2 H_i + \rho \lambda_i + \delta_i \dots \dots \dots (12)$$

where the $E(\delta_i / X_i, H_i, \lambda_i) = 0$

Once the selection term is included in the consumption function, Ordinary Least Square (OLS) can be used to estimate equation (12). If the coefficient of lambda ' ρ ' is different from zero and statistically significant, then there is correlation between the error terms of the two equations. Hence OLS on the outcome function will lead to bias and

inconsistent estimates because $\lambda_i(\cdot)$, which is the inverse Mills ratio, is omitted.

Before implementing the two stage procedure, model identification is not only critical but also the most difficult task to do. A model is identified if the number of explanatory variables in the first stage equation, i.e., the selection equation, exceeds that of the outcome equation (the consumption function) by at least one variable. The key econometric problem lies in choosing the variable that should go into the first and second stage equations since the variables which affect a probit function more or less affect the consumption function. Here we need to select a variable which does not affect consumption function but that affects the probability of migration and hence remittances. As a source of identification in this study, similar to Adams (2005), the age of the household head is used, while other things remained constant. Older household heads will have more household members as adults in the age 15 to 30 category which creates higher possibility for migration and hence remittance. However, it is believed that age of household head has no direct impact on consumption after controlling all other variables, such as demographic, human capital, ethnicity and location variables.

Once the Heckman selection model has been identified, the two stage procedure is implemented. To predict counterfactual consumption for households which receive remittances, the following procedures are applied. Primarily, from equation (12) the parameters predicting per capita consumption expenditures are estimated from households that have not sent migrant abroad. Then these parameters are applied to migrant households to predict counterfactual per capita consumption expenditure.

To construct actual per capita consumption with remittances for those households with international migrants, equation (12) is revised to include migration dummy to account for its effect on household consumption and hence welfare. Hence the equation can be rewritten as:

$$\log C = \mu_3 + \beta_3 X_i + \omega_3 H_i + \pi M_i + v_i \dots \dots \dots (13)$$

where ' M_i ' is a dummy variable for households with migrants abroad and hence receive remittances and takes the value "1" if households do not receive remittances and "0" otherwise. v_i is an error term, and X_i and H_i are defined as before. In calculating counterfactual consumption and probit regression for remittance receiving households the vector of household level variables are revised so as to include migrants. Once equation (13) is estimated, we can predict actual consumption for both remittance receiving and non-receiving households. And to construct counterfactual consumption function for remittance receiving households, the values for remittance receivers are replaced by the estimated values from the selection controlled regression equation.

To construct actual per capita consumption with remittances for those households with international migrants equation (12) is revised to include migration dummy to account for its effect on household consumption and hence welfare. Hence the equation can be rewritten as:

$$\log C = \mu_3 + \beta_3 X_i + \omega_3 H_i + \pi M_i + v_i \dots \dots \dots (13)$$

where ' M_i ' is a dummy variable for households with migrants abroad and hence receive remittances, and takes the value "1" if households do not receive remittances and "0" otherwise. v_i is an error term, and X_i and H_i are defined as before. In calculating counterfactual consumption and probit regression for remittance receiving households, the vector of household level variables are revised so as to include migrants.

Once equation (13) is estimated, we can predict actual consumption for both remittance receiving and non-receiving households. And to construct counterfactual consumption function for remittance receiving households, the values for remittance receivers are replaced by the estimated values from the selection controlled regression equation.

Table 1: Variables used in the estimation of Heckman two stage selection model

Variables	Description
Log of per capita consumption expenditure	Logarithm of annual per capita consumption expenditure
(Dependent Variable)	
Human Capital Variables	
No. HH mems> 15yrs prim educ.	Number of household members who have completed primary education
No. HH mems> 15yrs ecoo. educ.	Number of household members who have completed secondary education
No. HH mems > 15yrs univ.educ	Number of household members who have completed University education
Household Characteristics	
No. Child<=5 years old	Number of children less than 5 years of age
No. Child 5-15 years old	Number of Children between the age of 5 and 15 years
Number of adults	Number of adult household members
Household size	Number of people in the household
Household Head Characteristics	
Sex of household head (1=male)	Dummy for sex of household head
Old age of head (1=yes)	Age of household head in years (>=50 years)
Head has primary education	Dummy for household heads who have completed primary education
(1= yes)	
Head has secondary education or higher (1=yes)	Dummy for household heads who have completed high school or higher education
Ethnicity (control group: other ethnic groups)	
Amhara	Dummy for Amhara households
Oromo	Dummy for Oromo households
Gurage	Dummy for Gurage households
Tigre	Dummy for Tigre households
Location (control group: Addis Ababa)	
Hawasa	Dummy for households from Hawasa
Gonder	Dummy for households from Gonder
Mekelle	Dummy for households from Mekelle
Treatment dummy	
treat_dummy (1=yes)	Dummy for households who receive international remittance

The Propensity Score Matching Approach (PSM)

The simple difference in per capita consumption expenditure among the remittance receiving households and those that did not receive is not only the result of receiving international remittances. There are also other observed factors like human capital investment, household characteristics and their wealth, and other factors that affect the households' expenditure in the groups. Due to the non-random distribution, selection bias could arise in the empirical analysis because the unobserved variables affect the per capita consumption expenditure.

The PSM is a method that can check, test, and minimize the bias that arises when one compares two groups, such as households that received remittances and those that did not. In essence, it is a method that puts households which received international remittances and households that did not receive international remittances in similar footing. It assumes that two groups are the same based on their observed characteristics except for the presence of receiving international remittances from abroad. As such, the difference in per capita consumption between the two groups can be attributed to the presence of receiving international remittances. In the current study, it is an effort that draws a 'partner' for each household that received international remittances from the group of households that did not receive international remittances. That is, one must be able to use households that did not receive remittances as an adequate group with those that did receive remittances.

The main principal hypothesis of the study is international remittance received by the households is positively correlated with the reduction in urban household poverty levels. Assuming per capita consumption expenditure is a linear function of a dummy variable from remittance use and a vector of other explanatory variables (X) leads to the following equation:

$$Y_h = \gamma X_h + \delta T_h + \varepsilon \dots \dots \dots (1)$$

where Y_h is the per capita consumption expenditure of the household, γ is a vector of parameters to be estimated, X_h is a vector of explanatory variables, δ is the coefficient of T_h , a dummy variable indicating whether or not the households have received remittance outside Ethiopia, and ε is the error term. The economic impact of remittances on per capita consumption expenditure is measured by estimates of the parameter δ . However, due to self-selection of households to receive remittance from abroad or not, the estimation of equation (1) that does not account for this self-selection may lead to biased results.

The standard approaches for dealing with the problem of self-selection are the two-step Heckman and the instrumental variables (IV) methods. However, both approaches address the selection of un-observables by imposing distributional and functional form assumptions, such as linearity on the outcome equation and extrapolating over regions of no common

support, where no similar households that receive international remittances or not exist. But avoiding functional form of assumptions and imposing a common support condition can also be important for reducing selection bias. Hence another approach for our study would be propensity score matching (PSM), which does not require linearity, or parametric assumptions, and which also require exogenous covariates to identify the casual effect of interest.

Although there are many theoretical reasons why international remittances could enhance households' per capita consumption expenditure, it is difficult to assess the welfare effects of remittances based on non-experimental observations. This is because the counter-factual outcome of what the per capita consumption expenditure would be like if the remittances households have received had not been used is not observed. In experimental studies, this problem is addressed by randomly assigning households to the groups, which assures that the per capita consumption expenditure observed with the groups of households that did not receive international remittances are statistically representative of what would have occurred without using remittances by the group of households that has received international remittances.

This study used PSM method, which does not require an exclusion restriction or a particular specification of the selection equation to construct the counter-factual and reduce selection problems. In particular, the matching examines the characteristics of the group of households that has received international remittances similar to the households that did not receive remittances, where the only difference is that one group has received remittances and the other group has not.

The standard framework in impact evaluation analysis is to formalize the impact of households that received international remittances, which is treatment group over the households that did not receive remittances, which is the control group, is the potential outcome approach or Roy–Rubin Model (Roy and Andrew, 1951; Rubin, 1974). The main pillars of this model are households in this study or groups (the treatment and control arms), treatment, and potential outcomes.

In the case of a binary treatment the treatment indicator T_i equals one ($T_i=1$) if household received international remittances and zero ($T_i=0$) if otherwise. The potential per capita consumption expenditure is then defined as $Y_i(T_i)$ for each household i , where $i = 1, \dots, N$ and N = the total population. The 'treatment effect' for household i can be written as:

$$\tau_i = Y_i(1) - Y_i(0) \dots\dots\dots(2)$$

Caliendo and Kopeinig (2008) outline two parameters most frequently estimated in the literature. These are the population average treatment effect (ATE), defined as the expectation of the treatment effect across all households, which is simply the difference of the expected per capita

consumption expenditure after exercising in receiving international remittances and not exercising the same.

$$\tau_{ATE} = E(\tau) = E[Y(1) - Y(0)] \dots \dots \dots (3)$$

where $Y(1)$ and $Y(0)$ are per capita consumption expenditure for remittance recipient and non-receiving households, respectively. Equation (3) simply states the rough average difference between the treatment and control groups and answers the question: ‘What is the expected effect on the outcome if households in the population were randomly assigned to treatment, and randomized control trial?’

The modified version of ATE which is called average treatment effect on the treated (ATT) focuses explicitly of the effects on those for whom on the program (that is, receiving international remittances) is actually intended to measure. It is formulated mathematically as:

$$\tau_{ATT} = E(\tau | T = 1) = E[Y(1)|T= 1] - E[Y(0)|D = 1] \dots \dots \dots (4)$$

where; $Y(1) | T = 1$ and $Y(0) | D = 1$ represents per capita consumption expenditure for remittance receiving and non-receiving households, respectively.

The expected value of ATT is defined as the difference between expected per capita consumption expenditure values with and without receiving international remittances for those who actually received international remittances in treatment. In the sense that this parameter focuses directly on actual treatment participants, it determines the realized gross gain from the program/intervention and can be compared with its costs, helping to decide whether the program is successful or not (Heckman et al. 1999).

The counterfactual mean for those being treated ($E[Y(0)|T= 1]$) is not observed; hence, one has to select a proper substitute for it in order to estimate ATT.

$$E[Y(1)|T = 1] - E[Y(0)|T = 0] = \tau_{ATT} + E[Y(0)|T = 1] - E[Y(0)|T = 0] \dots \dots \dots (5)$$

Given this equation, the problem of selection bias (the difference between the left-hand side of the equation and τ_{ATT} is the so-called ‘selection bias’) is straightforward to see, because the second term on the right-hand side is unobservable. If $E[Y(0)|T = 0] - E[Y(0)|T = 1] = 0$, households that did not receive remittances from abroad can be used as an adequate comparison group. However, as discussed above, this condition is rarely satisfied with non-experimental data.

In non-experimental studies, one has to invoke some identifying assumptions to solve the selection problem stated above: *conditional independence and the common support or overlap condition approaches* (Rosenbaum and Rubin 1983; Caliendo and Kopeinig 2008; Wu et al.

2010). Assuming that both the conditional independence and common support conditions hold, the propensity *score* matching estimator for ATT can be expressed as follows:

$$\tau_{ATT} = E[Y(1)|T = 1] - E[Y(0)|T = 1] \dots\dots\dots (6)$$

The above equation reveals that the propensity score matching estimator is simply the mean difference in the income and expenditure of the two groups (households that received international remittances and those that did not) over the common support area.

Thus, to measure the impact of international remittances on poverty from cross-sectional measure using Propensity Score Matching econometrics model, the following procedures/steps have been implemented:

1. Estimating propensity scores by applying Logistic or Probit Regression model— this is the first principal steps, where the binary dependent variable is whether household received an international remittances or not during 2013, the survey year.
2. Choosing matching algorithms -- the propensity scores that have been calculated in step one leads to the choice of the suitable algorithms to match households in the treatment group with households in the control group based on the closeness of their propensity scores. The Kernel Matching (KM) algorithm was used for checking common support and assessing matching quality by comparing variable minima and maxima. The matching quality had been assessed by the reduction of standardized bias in mean and median of the propensity scores, low pseudo R^2 and likelihood χ^2 ratio with t-test before and after matching.
3. Estimate standard errors— bootstrapping is used to test the statistical significance of the treatment effect since this approach has been widely applied in current literature.
4. Estimating the effect of international remittances on poverty by using the stated matching algorithms followed by sensitivity analysis (Caliendo and Kopeinig 2008).

Results and Discussion

Data and Summary of Descriptive Statistics

Demographic Characteristics and Martial Status of Selected Households

Table 2 below describes the demographic characteristics of households that receive (Rec. Int. Remit) and that do not receive remittances (Not Rec. Int. Remit) from outside Ethiopia. The two groups have differences in their observed characteristics. Regarding the age of household head and gender, the two groups bear statistically significant differences in terms these demographic characteristics.

Table 2: Descriptive summary of demographic characteristics of household heads

Variable	All sampled HHs		Rec. Int. remit		Not rec. Int remit		Difference in Mean		P-value
	Mean	S.D	Mean	S.D	Mean	SD	Mean	Std.Err	
Age of HH head	46.07	15.77	49.00	16.56	43.29	14.45	-5.71	1.24	0.000***
HH size	4.32	2.04	4.48	2.13	4.16	1.94	-0.32	0.16	0.0475*
Characteristics	All Sample HHs		Rec.Int.Reomit		Not Rec.Int		χ ² (p)Value		
Sex of HH head	N (628)		N (307)		N(321)		percent		
	percent		percent		percent		percent		
Male	365	58%	161	52%	204		64%		7.96
Female	263	42%	146	48%	117		36%		(0.005***)

Source: Survey Data, 2012

Note: *, ** and *** represent significant at the level of 10 percent, 5 percent and 1 percent, respectively.

According to Figure 2, most of the sampled household heads that received international remittances (60 percent) and had not received the same (65 percent) are married. About 15 percent, 6 percent, 9 percent and 4 percent of the households that did not receive international remittances are widowed, divorced, never married, and separated, respectively.

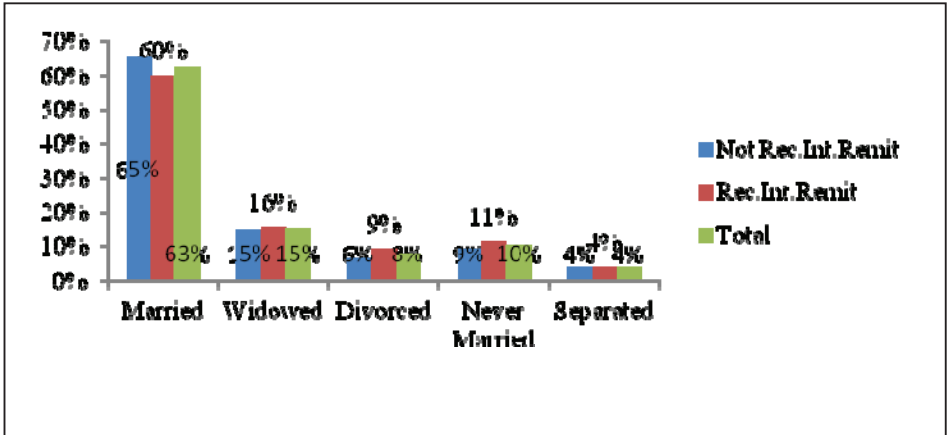


Figure 2: Marital Statuses for Remittance Receiving and Non Receiving Households

Source: Survey Data, 2013

About 16 percent are widowed, 9 percent divorced, 11 percent never married and 4 percent never separated in the case of households that had received remittances from outside Ethiopia. The selected households heads are married (63 percent), widowed (15 percent), (8 percent) divorced, (10 percent) never married and (4 percent) separated.

Table 3: Annual remittance per capita and remittance as a percentage of total household consumption expenditure

<u>Remittance receiving HHs all sampled HHs</u>						
City	Remit. as percent			Obs.	Remit. as percent	
	Obs	PC Remit.	Cons. Exp. (%)		PC Remit.	Cons. Exp.
Gonder	70	4,648(4581)	79%	119	2,734(4189)	47%
Mekelle	79	5,840(12236)	65%	157	2,938 (9135)	33%
Addis Ababa	143	7,795(13349)	73%	284	3,925(10230)	37%
Hawassa	36	2,850(3744)	39%	76	1,350(2931)	18%
(328)	(636)					

Source: Computed from own survey data, 2013

Note: PC Remit= Per capita remittance, Cons. exp= consumption expenditure

Comparing average per capita remittance per annum city wise, Table 3 indicates the highest average per capita remittance per annum is obtained by recipients from Addis Ababa and is more than twice when compared to recipients from Hawassa, where the lowest average per capita remittance is generated. This may be due to the fact that living standard in Addis Ababa is higher compared to other urban areas; hence, household members living abroad had to remit more money to household members in the city to cover household expenditures compared to the others. Average remittance, as a percentage of total household consumption in urban Ethiopia, is highly significant. For example, households from Gonder cover more than three fourth of their consumption expenditure through income from international remittances, as compared to households of Hawassa, which covers 39 percent. These relatively big figures indicate that international remittances have a significant share for those households who receive them compared with other sources of household income.

Table 4: Summary of annual international remittances for urban households in Ethiopia in 2013 (E.C.) in Birr

	All remit. receiving HHS	All sampled HHs
Average per capital remit. (HH level)	20,000.12	10, 360
Average per capita remit.	6,109.95	3,151.05
Remit. as percent of total Cons. Expd.	68.09 %	35.2 %
Remit. as percent of total income	44.39 %	22.93 %
Number of HHS (as a percentage of total sample)	328 (52 %)	636 (100 %)

Source: Computed from survey data, 2013

Note: 1 dollar was approximately 18 Ethiopian birr

Average per capita remittance for the sub-sample of remittance recipients/households who had received remittance indicates more than 6,100 Birr per annum. This is 60 percent of the GDP per capita income of around 9,900 Birr during the same period. This shows, on average, the inflow of international remittance is substantial. Similarly, it may also substantiate the argument that international remittance figures of Ethiopia are underreported, as it only includes remittances received through formal channels, which ignores the informal one.

Similarly, around 68 percent of the total household consumption expenditure is covered by incomes obtained from international remittance for households which receive remittances while, on the other hand, it is around 32 percent for the whole sample including both remittance and non-remittance receiving households. But this does not refer to the national average since it only represents major urban households that exclude the rural ones. And it is obvious that urban households have a higher chance for sending migrants abroad compared to rural households. Nevertheless, the current high rate of migration from rural areas of the country to Middle East and South Africa seems to reduce this gap.

Table 5: Summary of Annual household consumption expenditure for remittance receiving and non-receiving households

Variable	All sampled HHs	Remit. receiving HHs	Non-Remit.
Annual HH			
Cons. Expd. (in birr)	40,402 (53450)	30,207 (25914)	35,480 (42722)
Annual per capita			
HH Cons. Expd.(in birr)	10,401 (10970)	8,388 (7603)	9,434 (9541)

Source: Computed from own survey data, 2013

Note: Standard Deviations are in brackets

Table 5 summarizes annual and per capita consumption expenditure for remittance receiving, non-receiving and all sampled households. The result confirmed that annual consumption expenditure is higher by about 31 percent for remittance receiving households compared to non-remittance receiving and around 12 percent for all households. Similarly, per capita annual household consumption expenditure is higher for remittance receiving households compared to both non-remittance and all sampled households. This gap in annual consumption expenditure between the two groups of households is expected, as per Table 3 and Table 4. But the key question here is whether this gap is created due to the additional income they generated from international remittance or the remittance receiving households were better-off even before sending a household member abroad. This will be discussed in the last section of the chapter.

Summary and Descriptive Statistics for Explanatory Variables

In this section, we describe those variables used for estimating consumption function and selection corrected equations. Here we have four categories of explanatory variables namely: household level human capital and demographics, household head characteristics, location and ethnicity. Where 'age of household head', the variable is only included in the selection equation.

Household level human capital variables such as number of educated household members and number of adults in the household are expected to have positive contribution for household income and hence consumption per capita. This is due to the fact that households with more adults are more likely to generate higher income and hence higher per capita consumption expenditure, given that those adult household members are engaged in income generating activity compared to households with less number of adults. Whereas the impact of household size on income is hard to determine a priori since it depends on the proportion of children in the household below 14 years of age. Likewise, household head characteristics such as age, education, gender and marital status are important variables in this model.

The level of education of the head of the household has a direct impact on income and hence consumption per capita, while the opposite is true if the household head is single male headed or female headed. Conversely, the effects of marital status and age of household head is unknown a priori. Similarly differences on ethnicity may have an implication on household well-being and the variable location will capture the differences in cost of living and type of economic activity the household head engaged, and hence income and per capital consumption of the household.

Our first equation, probit function which shows the probability that a household has no migrant member abroad and hence does not receive remittances; among others are determined by human capital and demographic variables.

There are two major contending views on how the number of adults and their level of education can affect the probability of producing migrants and hence receive remittance. According to the basic human capital model, as stated by Todaro (1970) and discussed in the methodology section, households with more educated members and more adults have higher probability of sending migrants abroad and hence receive remittances, as more educated people can have higher opportunity for employment and hence earn higher income abroad. Nonetheless, one can also argue the other way, where households with more educated members and more adults are comparatively well to do families; hence, they have less appetite to send their families abroad for the purpose of receiving remittances. But it is hard to say that household size has a positive impact on the probability of migration and hence remittances. Similarly, location which is associated

with economic opportunities and economic migration is very important. It is expected that compared to other urban areas, the cost of migration from Addis Ababa is lower.

The last variable which affects the propensity of migration and hence remittances (but not our objective function per capita consumption expenditure) is age of household head. According to our survey, older household heads will identify our model. According to the literature, households with older heads are more likely to produce more migrants because they have more household members in the category of adults (15 to 30 years). However, households with older ages are not expected to receive more income even though expenditure (income) generally increases with the level of education, because older household heads in Ethiopia tend to be less educated based on our survey.

Table 6 shows summary statistics of explanatory variables for actual and counterfactual for remittance receiving, non-receiving and all sampled households. The explanatory variables for the counterfactual columns five and six take into account the migrant members as part of the household and hence these variables are used in the first stage selection regression and in calculating counterfactual consumption function for remittance receiving households. Similarly, the explanatory variables in the actual case scenario are used for actual consumption function.

Proportionately, remittance receiving households have more kids/children between the age of 5 and 15, less number of adults, and lower education level on average and have larger household size compared to non-remittance receiving households in the actual scenario. While for the counterfactual case which takes into account migrant members, remittance receiving households have larger household size, more adults, and have relatively higher level of education. Nevertheless, the number of children between the age of 5 and 15 in relation to the number of adults is more or less the same for both groups of households.

Households with female heads are larger for recipient groups and also have older heads on average though the level of education for the household head is similar in both groups. This similarity supports our previous argument that older household heads are not necessarily expected to be educated. In the case of ethnic groups, around half of the remittance receiving households from the sample survey is *Amharas* and the second largest is *Tigrian*. Both constitute more than three-quarter of the recipient group.

Addis Ababa and Mekelle account for more than 46 percent and 25 percent of all remittance receiving households, respectively, while Hawassa secured only 13 percent. It is anticipated that the lion's share of households who receive remittances comes from Addis Ababa, since cost of migration is relatively lower and have higher migration networks compared to other urban areas, yet migration is a risky and costly activity.

Table 6. Summary of explanatory variables for actual and counterfactual consumption regression for remittance receiving, non receiving and all sampled households

<u>Actual scenario counterfactual scenario</u>					
Variables	Remit. receiving HHs	Non remit. receiving HHs	All sampled HHs	Remit receiving HHs	All sampled HHs
Human capital variables					
No. HH mems> 15yrs prim educ.	0.39(0.64)	0.40(0.72)	0.39(0.69)	0.40(0.73)	0.39(0.69)
No. HH mems> 15yrs seco educ.	0.96(1.06)	1.07(1.11)	1.02(1.09)	2.07(1.11)	2.02(1.09)
No. HH mems> 15yrs univ educ.	0.85(1.12)	1.00(1.36)	0.93(1.25)	1.00(1.36)	0.93(1.25)
Household Characteristics					
Household size	4.26(1.93)	4.12(1.78)	4.19(1.86)	5.27(1.93)	5.19(1.86)
No. Child <= 5yrs old	0.30(0.53)	0.28(0.60)	0.29(0.57)	0.27(0.58)	0.29(0.56)
No. Child 5-15 yrs old	0.72(0.89)	0.71(1.02)	0.72(0.96)	0.71(1.02)	0.71(0.95)
Proportion of kids to adults	0.20(0.23)	0.23(0.21)	0.22(0.22)	0.23(0.22)	0.22(0.22)
Number of adults	3.09(1.56)	3.28(1.56)	3.19(1.56)	4.28(1.56)	4.19(1.56)
Sex of household head (1=Male)	0.52(0.50)	0.63(0.48)	0.48(0.49)	0.63(0.48)	0.48(0.49)
Head has Prim. Education(1=yes)	0.82(0.38)	0.80(0.40)	0.81(0.39)	-	-
Head has Seco. Education(1=yes)	0.58(0.50)	0.58(0.50)	0.58(0.49)	-	-
Location					
Gonder	0.16(0.37)	0.21(0.41)	0.19(0.39)	-	-
Mekele	0.25(0.44)	0.24(0.43)	0.25(0.43)	-	-
Addis Ababa	0.46(0.50)	0.44(0.50)	0.45(0.50)	-	-
Hawassa	0.13(0.34)	0.11(0.31)	0.12(0.33)	-	-

Table 6. Continued on page 238

Actual scenario counterfactual scenario

Variables	Remit. receiving HHs	Non remit. receiving HHs	All sampled HHs	Remit receiving HHs	All sampled HHs
Ethnicity					
Amhara	0.49(0.50)	0.47(0.50)	0.49(0.50)	-	-
Oromo	0.11(0.32)	0.11(0.32)	0.11(0.32)	-	-
Tigrayan	0.27(0.44)	0.29(0.46)	0.28(0.45)	-	-
Gurage	0.05(0.22)	0.06(0.23)	0.05(0.23)	-	-
other	0.08(0.28)	0.07(0.25)	0.07(0.26)	-	-
Old-age household head	0.53(0.50)	0.35(0.48)	0.44(0.49)	0.35(.47)	-
Observations	328	308	636328	636	

Source: Computed from own survey data, 2013

Note: Standard deviations are given in parenthesis

Regression Results

Impact of International Remittance on Poverty: Evidence from Heckman Two Stage Selection Model

As discussed in the methodology section, the two stage Heckman Selection model is applied to construct the counterfactual consumption function for remittance receiving households. Hence, the regression results which are used for constructing the counterfactual consumption function are presented first.

In the first stage probit function, the probability that a household does not have a migrant abroad and, hence, does not receive remittances (selection equation of no migration and hence no remittance) is applied for all households. In the second stage selection, corrected counterfactual consumption function, the household human capital, and demographic variables for the remittance receiving households are adjusted so that they will include the migrant members.

Hence, the results of the first stage probit function will be discussed first and then the consumption function for non-remittance receiving households will follow.

Table 7: Probit Model (marginal effect), selection controlled regression used for counter-factual consumption function

Variables P(No migration and no remittance)				
No. HH members>15yrs primary education	-0.0840	(-1.01)		
No. HH members>15yrs secondary education	-0.0632	(-1.03)		
No. HH members >15yrs university education	-0.0564	(-0.99)		
Household size	-0.356***	(-3.07)		
r.kids(Proportion of kids<15 to HH size)	1.832***	(3.05)		
Number of adults	0.514***	(3.47)		
Sex household head(1=male)	0.352***	(3.00)		
Head has secondary Or higher education(1=yes)	-0.250*	(-1.90)		
Gonder			-0.108	(-0.6)
Mekelle	0.395	(1.53)		
Hawassa			0.271	(1.4)
Amhara	-0.0680	(-0.28)		
Oromo			-0.179	(-0.6)
Tigre			-0.400	(-1.2)
Gurage			-0.176	(-0.5)
Old age_hh(1=yes, if age of household head>=50)	-0.647***	(-4.88)	-0.0714	(-0.2)
N		592		

Source: Computed from own survey data, 2013

Note: the table reports the marginal effects of a variable on the probability of a household with no migrant member abroad and hence receive no international remittances. Figures in parentheses are t- values (Significant at * p<0.1, ** p<0.05, and *** p<0.01)

The coefficients for the probit model in the first stage equation do not give the marginal effects of the variable in question on the probability that a household does not produce migrants and hence does not receive remittances. These marginal effects, however, can be readily computed by a standard transformation. It is these marginal effects from estimating the probit model that are reported in Table 7.

Most of the human capital variables are statistically insignificant. However, more educated household heads are more likely to receive international remittances. This might have resulted from the efforts made by the educated household heads to beat the challenges of immigration cost. Hence, it is expected that they try hard to finance this activity in the short run and receive remittances in the long run. Likewise, female headed households have higher probability of receiving remittances compared to male headed households. Larger family size is associated with higher probability of remittances while higher proportion of kids compared to adults in the household implies lower probability for migration and hence remittance. On the other hand, the number of adults in a family is positively correlated with no migration and no remittances. Moreover, none of the ethnic and city dummies are statistically significant.

Finally, older household heads are associated with higher probability of receiving remittances, which is consistent with our expectation. This variable age of household head is not included in the second stage consumption equation and hence identifies the selection equation.

Table 8 shows the results of the Ordinary Least Square (OLS) for the selection corrected consumption function estimates. As hypothesized earlier, the human capital coefficient household members with university education has positive and significant coefficient and this implies that this variable has a positive effect on household income and hence on consumption expenditure as well. But, it is worth mentioning that the number of adults has negative sign and statistically significant. This also implies that higher number of adults leads to lower consumption. This may be due to the wider level of unemployment in the country, especially in urban areas, where most of the adults do not make significant contribution to income. From the household head characteristics the number of household heads that have secondary or higher education is statistically significant, implying that it has a positive contribution to household income and hence consumption per capita.

The most important finding in Table 8 is that λ is significant at 95 percent confidence interval and has a negative sign. This implies the existence of selection bias, whereby the error term in the first equation in our probit function and second equation consumption function are negatively correlated indicating that unobservable factors that make participation less likely to be associated with higher consumption function. This is consistent with most of the literature, which states that migrant

households are positively selected. Thus, OLS regression for the consumption function, without taking into account the selection into consideration, will bias the effect of remittance on consumption.

Table 8. Annual per capita household consumption expenditure estimates (selection corrected) for non remittance-receiving households

Variables	Log of consumption per capita	
HH members >15yrs primary education	-0.0700	(-1.09)
No. HH members >15yrs secondary education	0.0138	(0.29)
No. HH members >15yrs university education	0.161***	(3.40)
Household size	0.102	(0.91)
R. kids/Proportion of kids<15 to household size	-0.656	(-1.13)
Number of adults	-0.292***	(-2.09)
Sex of household head(1= male)	-0.0346	(-0.32)
Head has secondary or higher education(1=yes)	0.236***	(2.63)
Gonder	-0.400***	(-3.24)
Mekelle	-0.709***	(-2.94)
Hawassa	-0.539**	(-3.90)
Amhara	-0.0278	(-0.17)
Oromo	-0.319*	(-1.69)
Tigre	0.505*	(1.84)
Gurage	-0.102	(-0.42)
Lambda	-0.472**	(-1.98)
Constant	9.854***	(30.48)
Prob> F = 0.0000		
R-squared = 0.2980		
Adj R-squared = 0.2583		
N = 299		

Source: Computed using own survey data, 2013

Note: Dependent variable is log of annual per capita household consumption expenditure (excluding remittances) which is used to construct counterfactual consumption for remittance receiving HHs. Figures in parentheses are t-values. * p<0.1, **p<0.05, ***p<0.01

From the location dummy, Gonder, Hawasa and Mekelle are associated with lower consumption per capita compared to Addis Ababa. The ethnicity dummy implies *Oromo* and *Tigre* have relatively lower and higher consumption per capita, respectively, compared to our reference group, which includes ethnicity other than the four major ethnic groups.

Once we estimate the consumption function for non-remittance receiving households, the values will be used to construct counterfactual consumption function for remittance receiving households. To construct actual consumption for remittance receiving households, we run an Ordinary Least Square (OLS) regression on the whole sample from which we predict the actual and counterfactual consumption function.

Table 9: Regression to estimate predicted per capita household consumption expenditure

Variables	Log of consumption per capita	
No. Household members >15yrs primary education	-0.0802**	(-2.04)
No. Household members >15yrs secondary education.	-0.0209	(-0.71)
No. Household members >15yrs university education.	0.0985***	(3.88)
Household size	-0.0154	(-0.28)
r.kids (Proportion of kids<15 to household size)	0.105	(0.36)
Number of adults	-0.137**	(-1.99)
Sex of household head(1=Male)	0.0734	(1.29)
Head has secondary or higher education(1=yes)	0.264***	(4.49)
Gonder	-0.437***	(-5.48)
Mekelle	-0.403***	(-3.29)
Hawassa	-0.356***	(-3.89)
Amhara	0.142	(1.26)
Oromo	-0.0818	(-0.63)
Tigre	0.356**	(2.31)
Gurage	0.0135	(0.09)
treat_dummy(1=yes receive remittances)	0.161***	(3.08)
_cons	9.173***	(64.16)
N	592	
Prob> F	= 0.0000	
R-squared	= 0.2898	

* p<0.1, ** p<0.5, *** p<0.01, t statistics in parentheses

Source: Computed using own survey data, 2013

Note: Regression is based on the whole sample remittance receiving and non receiving households; the dependent variable is log of annual per capita household consumption expenditure. Parameters from the regression are used to predict annual per capita household expenditure (excluding remittances) for households which receive international remittances.

Table 9 above reports the results obtained from using equation (13) to predict per capita household expenditure for both remittance receiving and non-receiving households. Most of the coefficients have the right sign and level of significance; only the outcomes for the human capital variable primary education has unexpected sign and merit discussion. This unexpected result suggests that returns to education in the local employment for the lower levels of education are low (and possibly negative).

The variable ‘treat dummy’ which shows whether a household has a migrant member abroad and hence receive remittance or not is highly significant. The coefficient for this dummy shows that households which receive international remittances have on average 16.1 percent higher per capita consumption than those who don’t receive. This is consistent with the results of our descriptive statistics as discussed in the previous section.

To see the effect of international remittances on poverty, the Foster-Greere-Thorbecke (hereafter FGT) poverty index (1984) is used. The FGT poverty measure is defined as:

$$FGT_{\alpha} = \frac{1}{N} \sum_{i=1}^h \left(\frac{p - y_i}{p} \right)^{\alpha}$$

where N = total number of households, p is the poverty line, h is the total number of households living under the poverty line, and y_i represents the income of a family below the poverty line.

The three variants (depending on three values of α) of the poverty index used to estimate the impact of changes in international remittances on poverty are: (1) headcount index ($\alpha=0$), which measures the share of the population living below the poverty line; (2) poverty gap index ($\alpha=1$), which measures the depth of poverty (that is, the amount by which an average poor family is below the poverty line); and (3) poverty gap squared index ($\alpha=2$), which measures the severity of poverty and, unlike the other two measures, it is sensitive to changes in the distribution of income among the poor.

The poverty line set by the Ministry of Finance and Economic Development, Federal Democratic Republic of Ethiopia in “Ethiopia’s progress towards alleviating poverty: Interim report on 2010/11 poverty Analysis”, is used in this paper. The poverty line set by this report was computed based on the 1995/96 poverty line. To do so groups of consumption items defined in 1995/6 which generate 2,200 kilo calories were valued at 2010/11 national average price in order to obtain total urban poverty line and defined to be 3,781 Birr.

In this paper, we tried to adjust the above total poverty line constructed for urban areas by adjusting the rate of inflation between 2010/11 and 2011/12 hence the total poverty line became 5,293 Birr considering a 40 percent annual average rate of inflation during the period based on the 2012 World Bank report on the Ethiopian Economy. The three poverty indices are calculated using household consumption per capital adjusted by equivalence scale. The equivalence scale used takes into account the fact that children cost less than adults and there is economies of scale in consumption. This can be given as follows:

$$E = (A + \alpha C)^{\frac{1}{\theta}}$$

Where ‘ E ’ is equivalence scale, ‘ A ’ is numbers of adults in the household, ‘ C ’ is number of children, ‘ α ’ cost of children relative to adults and ‘ θ ’ measures economies scale. For poor countries like Ethiopia different studies indicate that the cost of children relative to adults is very low while economies of scale are very high. Thus, ‘ α ’ is low while ‘ θ ’ is very high. α and θ are, respectively, set at 0.5 and 0.95, following Kedir and Disney (2004) cited in Berhe (2012).

Table 10: Summary statistics of monthly per capita consumption expenditure for actual and counterfactual for remittance receiving, non-receiving and all sampled households

Variable	Mean	Std. Dev.
Remittance receiving households (Actual)1026	384	
Non Remittance receiving households (Actual)	830	372
All Sampled households(Actual)	931	390
Remittance receiving households (Counterfactual)	258	166
All Sampled households(counterfactual)	264	168

Source: Computed from own survey data, 2013

Table 10 summarizes the actual and counterfactual per capita household consumption expenditure for remittance receiving, non-recipient and all sampled households. Two key findings emerge. First, in the counterfactual scenario, and in the absence of remittances, households which used to receive remittances are poorer when compared to non-recipient households. In this scenario, the average level of expenditure for households receiving remittances is 2.3 percent below all sampled households. Second, in the case of actual scenario, including remittances, the average level of per capita consumption expenditure for remittance receiving households is quite higher compared to non-remittance receiving households. Hence, average level of per capita consumption expenditure is 23.6 and 10.2 percent higher, respectively, than that of the households not receiving remittances and for all sampled households.

Table 11 shows the effect of international remittances on poverty. The different measures of poverty such as head count, poverty gap and squared poverty gap indicate a considerable decline in poverty among those who receive remittances. The poverty head count measures reduce the level of poverty from 30.4 to 10.9 percent implying that poverty declines by 64 percent (calculated as $((30.4-10.9)/30.4)*100$) in the actual case compared to counterfactual scenario. It is also equally important to note that the poverty gap, which is measured in percentages, shows how far the average expenditures of the poor fall short of the national poverty line reduces by 67 percent, slightly higher than the reduction in poverty head count. In contrast to head count poverty and poverty gap, poverty is reduced at higher rate when measured by a more sensitive measure: squared poverty gap. For example, the squared poverty gap measure shows that the inclusion of international remittances in household consumption expenditure (income) reduces the severity of poverty by 70 percent. These results suggest that international remittances reduce the severity of poverty more than absolute poverty.

Table 11: Effect of remittances on poverty for international remittance-receiving households

	International remit. receiving HHs		Non remit. receiving HHS
Poverty head count (%)			
Actual	.109		.211
Counterfactual	.304		-
Differences	.195(64%)	↓	-
Poverty gap (percent)			
Actual	.002		.005
Counterfactual	.006		-
Differences	.004(67%)	↓	-
Poverty square gap (%)			
Actual	.00006		.0002
Counterfactual	.0002		
Differences	.00014(70%)	↓	-
N	293		299

Source: Computed from own survey data, 2013

The poverty levels in the counterfactual case for remittance receiving households is significantly higher compared to non-remittance receiving households which is 21 percent, implying that poverty was higher among those recipients of remittances compared to non-receiving groups prior to migration. But in the actual case the level of poverty is lower for remittance receiving groups compared to non-receiving, implying that international remittances are important in lifting up urban households from poverty to a relative prosperity in Ethiopia. For example, in our survey, out of the 293 households that receive remittances, 89 of them were living below poverty line in the counterfactual case (before they start to receive remittances) but in the actual case including remittances, the number of households living beneath the poverty line declined to 32 households, implying that 57 households were lifted out of poverty. The effect of international remittances on the whole sample is reported in Table 12.

Table 12: Effect of international remittances on poverty for all sampled households

All Sampled Households		
Poverty head count (percent)		
Actual		.160
Counterfactual	↓	.282
Differences		.122(43.2 percent)
Poverty gap (percent)		
Actual		.004
Counterfactual	↓	.006
Differences		.002(33.3 percent)
Poverty square gap (percent)		
Actual		.0001
Counterfactual	↓	.0002
Differences		.0001(50 percent)
N		592

Source: Computed from own survey data, 2013

Table 12 shows, the level of poverty reduction among both remittance receiving and non-receiving groups of households (where in the counterfactual case head count poverty declining from 28.2 to 16 percent) declined by 43.2 percent. Similarly, the poverty gap and poverty square gap decline significantly by 33.3 percent and 50 percent, respectively.

For further illustration of our finding that international remittances have a significant impact on reducing the depth and severity of poverty in urban Ethiopia, Table 13 below examines the kinds of expenditure groups of households that receive international remittances. For instance, if greater proportion of household's consumption expenditure is covered through international remittances, or if households at the bottom of consumption expenditure are receiving more international remittances compared to other consumption groups, then it is clear that international remittances are having greater impact on poverty.

To pursue this analysis further, all households (both remittance recipient and non-recipient) are ranked into quintile groups on the basis of actual per capita consumption expenditure, including remittances. The first column shows the proportion of total households which receive international remittances in each quintile group. For remittance receiving households, the second column shows the percent of total per capita household expenditure, including remittances coming from international remittances to each quintile group.

Table 13: Distribution of remittance-receiving households by quintile group, ranked by per capita consumption expenditure including remittances

Rank	Proportion of remit. receiving HHs. (%)	International remit. as percent of total HH expd. (%)
Lowest 20	15	82
Second 20	18	58
Third 20	22	68
Fourth 20	23	65
Fifth 20	22	64
	100	

Source: Computed from own survey data, 2013.

Notes: Households ranked into quintile groups on the basis of observed per capita household expenditure (including remittances). For those households receiving international remittances, column (3) shows the percent of remittance receiving households from the whole sample while column (4) shows the percent of total per capita household expenditure (including remittances) coming from international remittance

Consistent with our expectation, the first column of Table 13 indicates that only 15 percent of the remittances receiving households are among the poorest households, while more than 55 percent are among those in fourth and fifth quintile indicating the rich households. It is also equally important to realize that the last column, demonstrates that the poorest households that are found in the lowest quintile group receive very large shares of their total per capita household expenditure from remittances. For example, for the lowest quintile group, on average households receive 82 percent of their total household consumption expenditure from international remittances; for the second quintile, it is 58 percent.

Given the above points, we can deduce here again that international remittances reduce the depth and severity of poverty in urban Ethiopia. This is due to the fact that poorer households are receiving a greater portion of their income from international remittances.

Impact of International Remittance on Poverty: Evidence from Propensity Score Matching (PSM)

The estimation command in Stata is “pscore.ado,” which Becker and Ichino (2002) developed and used it to estimate the impact of international remittances on per capita consumption expenditure. The “p score” command estimates the propensity score, which is the probability of getting a treatment for each household, and tests the balancing property; that is, observations with the same propensity score must have the same distribution of observable characteristics independent of treatment status. After the balancing is done, different commands can be used to carry out different types of matching and then derive the average treatment effect.

Different studies use a number of PSM estimators and apply the one that satisfied the balancing properties. This study has employed both logit approach using nearest neighbour matching, kernel matching and radius caliper matching algorithms to estimate the propensity scores. Hence, logit estimate of the kernel matching with a bandwidth of 0.06 has been considered for the analysis of the average treatment effect over the treated.

Checking Overlaps and Common Support

The first step in PSM is to determine the propensity score and satisfy the balancing property. The “pscore” command in Stata is used for this purpose. Though the results from this command include regression outputs, estimation and description of the propensity scores, the number of blocks and stratification using propensity scores, and the balancing property test, checking of the overlap condition and common support situation of the propensity scores is the crucial point to be discussed in the current study. The results from this discussion are displayed in Table 14.

The logit estimate results of the kernel matching with bandwidth of 0.06, the households that received international remittance have predicted propensity scores ranges from 0.1430353 to 0.876968 with mean of 0.5485024, and households that received no remittances from abroad have predicted propensity scores ranges from 0.1560297 to 0.8234604 with mean of 0.4808157. Therefore, the common support region is satisfied in the region of [0.1560297–0.8234604], with a dropper of 16 observations from households that received international remittances. This condition is also clear in the common support graph of the propensity scores in Figure 3 which is generated by the Stata command ‘psgraph’.

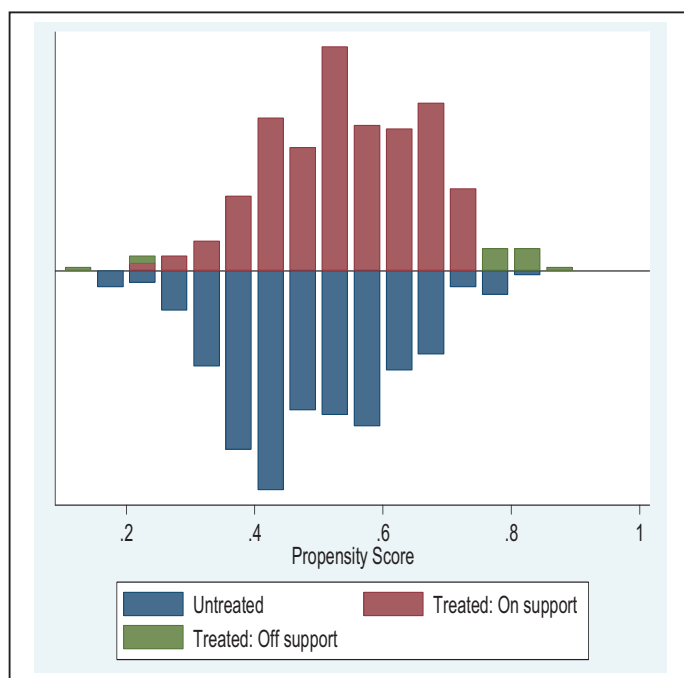


Figure 3: Common Support Graph of the Propensity Scores

Source: Survey Data, 2013

Table 14: Summary Statistics of Propensity Scores

	Rec. int. remit.	Not rec. int. remit
Observation	328	308
On support	312	308
Off support	16	0
Mean	0.5485024	0.4808157
Minimum	0.1430353	0.1560297
Maximum	0.876968	0.8234604

Matching Quality Indicators

After checking the overlap condition and common support situation of the propensity scores, the distribution of variables is balanced across households that had received international remittances and had not received the same. According to the recommendation of Rosenbaum and Rubin (1985), standardized bias difference for the overall covariates used in the propensity scores of the mean (median) is reduced from 8.034408 (4.679832) percent before matching to 1.512913 (1.514064) after matching. The total bias reduction of the mean (median) is then dropped to about 81.17 and (67.65) percent, respectively, after matching with the logit

estimate of the Kernel Matching (KM) algorithm. The joint significance of the covariates of the likelihood ratio can't be rejected before matching but it will be rejected automatically after matching and moreover the pseudo- R^2 dropped from 4.9 percent before matching to 2.0 percent after matching. In general, low mean (median) difference, low pseudo- R^2 and insignificant likelihood ratio after matching suggest that the selected specification of the propensity score estimators are relatively the best. In this case, the distribution of the covariates is believed to be balanced among the households that had not received as shown in Table 15.

Table 15: Matching quality indicators

Matching Algorithm	Model Types	Pseudo R ²	LR X ² (p-value)	Before matching	After matching	Before matching	After matching	Mean (Median)	Standardized bias	Total bias reduction in Mean (Median) (%)
NNM	Logit	0.049	0.002	43.21(0.000)	***	1.62(1.000)	8.034 (4.680)	1.614 (1.498)		79.91
KM	Logit	0.049	0.020	43.21 (0.000)	***	1.47 (1.000)	8.034 (4.680)	1.5129 (1.514)		(68.0) 81.2
RM	Logit	0.049	0.002	43.21 (0.000)	***	1.47 (1.000)	8.034 (4.680)	1.512 (1.514)		(67.7) 81.2 (67.65)

Source: Computed from own survey data, 2013.

NNM^x= three nearest neighbor matching with replacement and common support

NNM= five nearest neighbor matching, KM = kernel (epanechnikov type) matching and RM = radius matching

Note: *, ** and *** represent significant at the level of 10 percent, 5 percent and 1 percent, respectively

Estimation of the Average Treatment Effect on the Treated (ATT)

Based on the matching quality indicators, KM algorithm with bandwidth of 0.06 has fulfilled the best quality of matching, and this will makes our estimation result to be robust; therefore, the choice is to estimate the impact of international remittances on household consumption. Table 16 below presents the ATT estimate result of the NNM (nearest neighbor matching), KM (kernel matching) and RM (radius matching) with the respective bandwidth/caliper and common support the bootstrapped p-values are reported in parentheses. The outcome variable, i.e., per capita consumption expenditure is significant at 1 percent in both model types with all estimation alternatives. This implies that receiving international remittances significantly increase the consumption of the households that received international remittances. As a result, the consumption expenditure of the households that received international remittances is increased by 25.76 percent, on the average, due to the fact that these remittances are using the KM method.

Table 16: Impact of International Remittances on Households' Per Capita Consumption Expenditure

<i>Matching Algorithms</i>	<i>ATT (Average treatment effect on the treated)</i>
	<i>Logit Model</i>
NNM	0.2511311(0.000) ^{***}
KM	0.2576763(0.000) ^{***}
RM	0.2645040(0.000) ^{***}

Source: Computed from own survey data, 2013

Note: *, ** and *** represent significant at the level of 10 percent, 5 percent and 1 percent, respectively, in parentheses: boot-strapped p-values with 50 replications

Impact of International Remittances on Household Consumption and Investment: Evidence from Descriptive Statistics

The first part of this section discusses whether households that receive remittances exhibit expenditure patterns that differ from households that do not and the last part deals with how international remittances are spent by those who receive it.

Household Expenditure Patterns between Those who Receive and Who Do Not Receive Remittances

The summary statistics of Table 17 shows household expenditure patterns of all sampled households. There is statistically insignificance difference between households that received international remittances and those that did not receive in terms of consumption expenditure on food, other non-durable consumer goods (such as groceries, including cleaning products, toiletries, clothing and shoes)and household services (such as transport

expenses, including public transportation, gas and car or bicycle maintenance, electricity and cooking fuel).

Table 17: Expenditure patterns of households

HH consumption expd.	Remit. Receiving HHs		Non Remit. Receiving HHS		Difference in Mean		P-Value
	Mean	Std.Er	Mean	Std.Er	Mean	Std.Er	
Food consumption	5443	298	5361	542	-82	627	0.90
Other consumer goods & service	2484	361	2088	348	-396	502	0.43
Household services: energy water, and telephone	967	74	1322	373	356	381	0.35
Education	1488	182	1550	435	62	455	0.90
Health	684	105	1478	771	794	720	0.27

Source: Survey Data, 2013

While comparing both groups of households in terms of household investment, such as expenses on health and education, some differences are noticed. Comparing health expenses, between the two groups of households, there is statistically significant difference in both groups of households, where non remittance receiving households spend more than twice that of remittance receiving households. Expenditure on education is more or less similar for both groups of households.

How International Remittances are Spent by Remittance Receiving Households

How international remittances are being used by households, among others, may be directly related with the well-being of households. It is plausible to suggest that the poorest households are more likely to use a relatively higher share of remittance income for subsistence items, such as food and clothing. The opposite is true for the relatively better-off households, where the largest share of remittances were mainly used for financing productive assets.

In our survey, in terms of how international remittances are spent by recipient groups, and based on our discussion in the previous sections, remittance recipient groups are relatively poorer compared to non-recipient groups in the counterfactual scenario; hence it is obvious that substantial portion of it is spent on food and other consumption goods than on investment goods. Nonetheless, this should not mean that every income is

spent on consumption. On the contrary, a significant portion of remittances is also used for human capital accumulation, namely health and education and physical investment, such as housing.

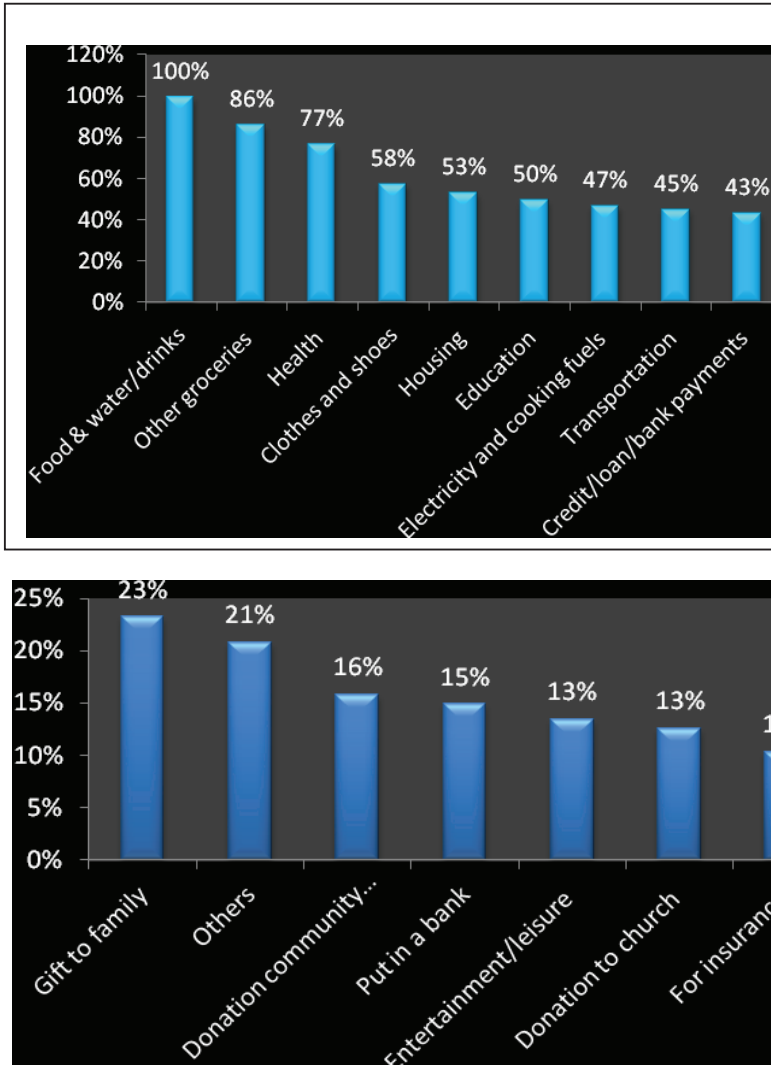


Figure 4: Descriptive Summary of Consumption of the Selected Households That Received International Remittances

Source: Computed from survey data, 2013

Based on Figure 4, all remittance receiving households (100 percent) had spent some fraction of their income on consumption goods, specifically on food. This implies that some portion of every penny/cent obtained from remittance was spent on food consumption. Likewise, considerable share of remittances was also spent on physical investment, such as housing. For instance (from the same figure), more than three quarters of remittance receiving households had used part of their remittance income to cover health expenses. A little bit over 50 percent of this group had used part of their remittance for housing and human capital accumulation, namely education. Finally, many migrant sending households do not have savings. Indeed, given the low income of many households, it is not all surprising that only 15 percent of those remittance receivers had saved part of their remittance income in banks.

The survey showed none of the remittance receiving households used part of their remittance income to invest in entrepreneurial or other income generating activities, such as on small and microenterprises. But, on the positive side, around 50 percent of those households used part of remittance income for physical investment, such as housing (either for renewal or construction/acquiring of new residential houses).

Hence, the way in which remittances are spent by remittance receiving households according to our survey seems to fit with the argument that remittances are mainly spent on consumption than investment goods. This is because all households used part of their income on food consumption. But still some households are also using part of their remittance income for other expenses as well. This result seems to be reasonably consistent with a number of studies conducted in a range of countries. For example, according to Gammeltoft (2002) and Taylor (1999), in some countries not less than 80 percent of remittances were spent on consumption, while smaller share of it was invested on land, housing, or new productive investments.

There are two main explanations why international remittances were mainly geared towards consumption than investment. The first is lack of consistent and progressive inflow of remittances. According to our survey, more than 60 percent of the remittance receiving households got remittance less than three to four months per annum and there is high variability in the timing of the inflow of remittances. The second and the main reason is that the purpose for sending remittances by remitters is primarily to cover household consumption expense than investment, as most of the remittance receiving households were relatively poor compared to non-remittance receiving households in the counterfactual scenario.

Conclusion and Policy Implications

Conclusion

To assess the impact of international remittances on poverty, household consumption and investment in urban Ethiopia, this study used primary household survey data collected from four major urban areas of the country, namely Addis Ababa, Gonder, Hawassa and Mekelle. Two approaches, the Heckman two stage selection and the propensity score matching approaches were employed to assess the impact of international remittances on poverty. The reason for adopting these two methodologies is to control the problems of selectivity and endogeneity.

We used counterfactual consumption estimates for remittance receiving households in the absence of remittances. This is estimated from selection corrected consumption function of non-remittance receivers. To control selection bias, the paper used a two stage Heckman selection model. The extent of selection was found to be negative and statistically significant implying that non-remittance receiving households were negatively selected in their unobservable characteristics. Using the Heckman two stage selection model, the study shows that international remittances substantially reduced the level, depth and severity of poverty among remittance recipient groups and the whole sample. For the sub-sample of households which received remittances poverty head count index, poverty gap and squared poverty gap declined by 64 percent, 67 percent and 70 percent, respectively, while for the whole sample, it was reduced by 43 percent, 33 percent and 50 percent, respectively.

When we compared the level of poverty in the counterfactual case (excluding remittances) between the two groups of households—remittance receiving and non-receiving households—the level of poverty was 30 percent for the former versus only 21 percent for the latter. However, in the actual case, which included remittances, poverty declined to 10.9 percent for remittance receiving households. This implies that remittances are important in reducing poverty in Ethiopia. To explain further, based on our survey, 89 out of the total 293 remittance receiving households were poor in the counterfactual case. But in the actual case when remittances are included, the number of households living below the poverty line declined to 32, which implies that 57 households were lifted out of poverty.

We have two justifications for the study findings: First, based on the survey data around 44 percent and 68 percent of the total income and total consumption expenditure of the remittance receiving households is generated from international remittances, respectively. This shows a considerable share of household income comes from remittances. Second, ranking households into quintile groups on the basis of per capital consumption expenditure, including remittances, indicates that households in the bottom quintile group received around 82 percent of their total household consumption expenditure from international remittances.

Using the propensity score matching (the second approach), we found that the outcome variable; that is, the per capita consumption expenditure of households that received international remittances, increased by 25.76 percent on average due to remittances. Evidences from both methods/models revealed that compared to the counterfactual scenario per capita consumption expenditure for remittance receiving households significantly increased; hence, the level of poverty has declined meaningfully.

The above findings seem to plausibly fit with the vast majority of empirical studies conducted in different countries, such as in Ghana by Adams (2006), in Indonesia by Adams and Cuecuecha (2010b) and others, which found out that remittances have played a positive role in reducing poverty and enhancing welfare of households. However, there are also some empirical studies which proved the other way, such as Wouterse (2008) in Burkinafaso, where remittances did not significantly reduce poverty but rather aggravated income inequality.

This study is consistent with studies, such as Adams (2006) on Ghana and Adams and Cuecuecha (2010b) on Indonesia, mainly because remittances are obtained not only by rich families but also by a significant number of poor households, who also generate migrants and hence receive remittances. For this reason, remittances play a positive role in reducing poverty in these countries, including Ethiopia. Our findings are at variance with studies, such as Wouterse (2008) on Burkinafaso, where remittances have no significant impact on poverty and where they aggravated income inequality, because, unlike our study, remittances in Burkinafaso are mainly sent to rich rather than poor households.

Another key finding of the study on how international remittances are spent by recipient household using descriptive evidence shows that all remittance receiving households spend part of their remittance income mainly on consumptions. Yet, significant numbers of households also used part of it for investment, such as health, education and housing. However, relatively insignificant numbers of households save part of the remittance income. But none of them used it to invest in entrepreneurial or other income generating activities. In conclusion, international remittances are mainly spent on consumption than investment goods. In light of our review of the literature, this finding is not in-line with the dominant view that remittances are fungible and spend like any other source of income, as in Adams, Cuecuecha and Page (2008) study on Ghana. But it agrees with studies, like Chami *et al.* (2003), which concluded that remittances are predominantly spent on consumption, and are not channeled towards productive long term investment.

The survey result also shows there was statistically non-significant difference in terms of expenditures on non-durable goods such as food, when expenditure patterns of both groups of households are compared. But a clear difference exists in expenditure patterns on health expenses, where

non-remittance receiving households spend more than twice on health compared to remittance receiving households. In general, the findings suggest that remittances can be used as a tool to fight poverty in Ethiopia. Therefore this study can be used as an input to formulate policies associated with migrant remittances as they play a crucial role in reducing poverty in Ethiopia.

Policy Implications

The two key findings of this study are: (1) international remittances significantly reduce household poverty in Ethiopia and (2) households spend remittance income mainly on consumption than on investment goods. In light of this conclusion, the policy intervention should focus on (1) on how to encourage more remittance inflows, (2) ways to find easy and less costly access to the money sent back home, and (3) how this remittance can be channeled to productive investment. Hence, the following interventions are found to be of the highest priority.

Enhance competitiveness in the remittance service market: According to the 2012 survey on remittance service providers by Alemayehu and Irving (2011), the three dominant money transfer operators in the country were Western Union, Money Gram and Dahabshiil. It is likely that limited competition among remittance service providers, especially banking institutions, money transfer operators (MTO) and other payment service providers results in higher costs and less access to remittance receiving households. Hence, policy makers need to introduce new policy reforms, such as lowering the capital requirement needed for new entrants to the remittance service industry, expediting the process of obtaining a license to operate in a money transfer business in the country, encouraging small and micro finance institutions to deliver this service in collaboration with banks, and in general improve the national payment system. This and other policy reforms could enhance competition in the remittance market and this will lead to decline in the cost of remittance, which will ultimately increase the inflow of international remittances to the country. This will further reduce poverty, as established in this study.

Improve overall business environment: To channel remittance income towards investment than towards consumption, efforts should be made to improve the overall business environment of the country. Policy makers should create conducive investment environment for remitters to invest their money in small and medium scale enterprises. This will in turn create job opportunities, growth, and will enhance Ethiopia's competitiveness at global level.

Generally, efforts should be made to encourage remittance recipient households and the diaspora community at large to do business in their homeland, as this will help recover part of the losses incurred due to brain drain. Policy makers should enhance infrastructure development, especially roads, and create hassle free business environment through trade

facilitation, business registration and licensing, and contract enforcement.

Provision of credit facility: Easy access to credit is useful to trigger remittances to investment than to consumption. Efforts should be made to improve the overall investment environment through enhancing infrastructure in the country.

Pre-departure training and management of remittances: In recent years, significant number of Ethiopian female migrants are working in Gulf Cooperation Council (GCC) countries such as Saudi Arabia, Bahrain, Qatar, Kuwait, and the United Arab Emirates. According to International Labour Office (ILO) (2005), compared to other female domestic workers, Ethiopian female migrants working in GCC countries earn much less than other migrants, such as Filipino migrants. Therefore, policy makers should at least arrange a mechanism for pre-departure training and management of remittances, and beyond that provide training on basic household management skills to increase the migrants' earning capacity and to make them more competitive in the job market in GCC countries. This could be in the form of capacity building and campaigns to create awareness among stakeholders, including employers, agencies that send domestic workers, relevant embassies, and employees themselves. Last but not least, people should be encouraged to make use of the international remittances in a meaningful way.

In summary, the findings provide enough evidence to show that remittances have significant effect on poverty reduction. Thus, incorporating the findings through some policy measures as indicated here in this study will help reduce poverty in Ethiopia.

Notes

1. The necessary ethical considerations, including oral informed consent of the respondents was sought and obtained.
2. The data collectors made door to door survey and put a code at the household's main gate that stated the household received international remittances and an 'X' mark that indicated the households did not receive any international remittances. This coding system helped the data collectors for their second visit to administer the main questionnaire.
3. Necessary measures to identify those who received and those that did not were taken before administering the main questionnaire.
4. Adams (2006) study on the impact of remittances on poverty in Ghana and Barham and Boucher (1998) study on of selection bias among migrant households in Nicaragua found that there was "no selection bias," but the majority of the research out put on migration and remittances conclude that there are both observable and unobservable selection biases.

References

- Adams, R. 1989. The effects of international remittances on poverty, income inequality, and development in rural Egypt. *International Food Policy Research Institute*, no. 86.
- Adams, R. 2005. Remittance, poverty and investment in Guatemala. *In* Ozden C. and M. Schiff (Eds.), *International migration, remittances and the brain drain*. Washington D.C.: The World Bank and Palgrave, Macmillan.
- Adams, R. 2006. Remittance and poverty in Ghana. *Development Research Group (DECRG), MSN MC3-303, Research Working Paper series: 3838*. Washington, D.C.: World Bank.
- Adams, R. and J. Page. 2005. Do international migration and remittances reduce poverty in developing countries? *World Development Report*, no. 3: 1645–1669. Washington D.C.: World Bank.
- Adams, R. and A. Cuecuecha. 2010a. Remittance, household expenditure and investment in Guatemala. *World Development Report*, no. 38: 1626–1641.
- Adams, R. and A. Cuecuecha. 2010b. Impact of international remittance on poverty and household consumption and investment in Indonesia. *Policy Research Working Paper*, 5433. World Bank.
- Adams, R., A. Cuecuecha and J. Page. 2008. Remittances, consumption and investment in Ghana. *Policy Research Working Paper*, 4515. World Bank.
- Ahmed, I. 2000. Remittances and their economic impact in post-war Somaliland. *Disasters*, 24: 380–389.
- Alemayehu, G. and J. Irving, 2011. Ethiopia. *In* Mohapatra, S. and D. Ratha (Eds.), *Remittance markets in Africa*, 113–131, The World Bank.
- Airola, J. 2007. The use of remittance income in Mexico. *International Migration Review*, 41:850–859.
- Aredo, D. 2005. Migration, remittances, shocks and poverty in urban Ethiopia: An analysis of micro level panel data.
- Barham, B. and S. Boucher. 1998. Migration, remittances, and inequality: Estimating the net effect of migration on income distribution. *Journal of Development Economics*, 55:307–331.
- Berhe, M. 2012. *The effect of international remittances on poverty and inequality in Ethiopia*. Oslo: Department of Economics, University of Oslo, in cooperation with the Frisch center for Economic Research.
- Caliendo, M. and S. Kopeinig. 2008. Some practical guidance for the implementation of propensity score matching, *Journal of Economic Surveys*, 22: 31–72.
- Castaldo, A. and B. Reilly, 2007. Do migrant remittance affect consumption patterns? *South Eastern Journal of Economics*, 1: 25–54.
- Chami, R., C. Fullenkamp and S. Jahjah. 2003. Are immigrant remittance flows a source of capital for development? *IMF Working Paper 03/189*. Washington. D.C.: International Monetary Fund.

- Central Statistics Authority of Ethiopia (CSA). 2007. *The 2007 Population and Housing Census of Ethiopia*. The Federal Democratic Republic of Ethiopia Central Statistical Authority, Addis Ababa.
- Gammeltoft, P. 2002. Remittances and other financial flows to developing countries. Center for Development Research. *Working Paper 02.11*. Copenhagen.
- Greene, W. 2003. *Econometric analysis*. Fourth edition. New Jersey, USA: Prince-Hall.
- Gupta, S., C. Patillo, and W. Smita. 2009. Effects of remittances on poverty and financial development in Sub-Saharan Africa. *World Development*, 37: 104–115.
- Heckman, J. 1979. Sample selection bias as a specification error, *Econometrica*, 47: 153–161.
- Hoyos, A. Zarate, 2000. Consumption and remittances in migrant households: Towards a productive use of remittances. *Contemporary Economic Policy*, 22: 555–565.
- International Labour Office (ILO). 2005. *Gender and migration in Arab States: The case of domestic workers*. Beirut: ILO Regional Office for Arab States.
- Kedir, A. and Disney, R. 2004. Prices in the measurement of food poverty in urban Ethiopia. Paper presented at the First International Conference on the Ethiopian Economy. Addis Ababa.
- Kiiru, J. 2010. Remittances and poverty in Kenya. A paper submitted to be considered for the poster session “*New Faces for African Development*”. Dakar, Senegal, 27–30 June.
- Lisa, A. 2012. Migration, remittances and household welfare in Ethiopia. Department of Economics, University of Gothenburg.
- Page, J. and S. Plaza. 2005. International migration and economic development: A review of global evidence, *Journal of African Economies*, 15: 245–336.
- Rosenbaum, P. and D. Rubin. 1983. The central role of the propensity score in observational studies for causal effects. *Biometrika*, 70: 41–55.
- Roy, A. and D. Andrew. 1951. Some thoughts on the distribution of earnings. *Oxford Economic Papers*.
- Rubin, D. 1974. Estimating causal effects of treatments in randomized and nonrandomized studies. *Journal of Educational Psychology*, 66: 688–701.
- Taylor, J. 1999. The new economics of labour migration and the role of remittances in the migration process. *International Migration*, 37:64–88
- Taylor, J., J. Mora, R. Adams and A. Lopez-Feldman. 2005. Remittances, inequality and poverty: Evidence from rural Mexico, *Working Paper no. 05–003*.
- Todaro, M. 1970. A model of labor migration and urban unemployment in less developed countries, *American Economic Review*, 59:138–148.

- United Nations Development Programme. 2009. *Human Development Report. Overcoming barriers: Human mobility and development*. UNDP, New York.
- United Nations. 2002. *International migration report*. New York: Department of Economic and Social Affairs, Population Division.
- World Bank. 2013. *Migration and remittances fact book 2013*. 2nd ed. Washington, DC.: World Bank.
- World Bank. 2011. *Migration and remittances fact Book 2011*. 2nd Ed. Washington, DC.: World Bank.
- Wouterse, F. 2008. Migration, poverty, and inequality: Evidence from Burkinafaso. *International Food Policy Research Institute (IFPRI) Discussion Paper: 00786*, Washington, DC.
- Wu, H., S. Ding, S. Pandey and D. Tao. 2010. Assessing the impact of agricultural technology adoption on farmers' well-being: Using propensity-score matching analysis in rural China, *Asian Economic Journal*, 24:141–160.
-

The impact of international migration, both South-South as well as South-North, on the economic, social and political life of the people in Eastern and Southern Africa [was] not well documented and studied,” and “the evidence-base for policy on migration and development [was] very weak.” With this in mind, OSSREA’s invitation to conduct a study on international migration in Africa had the following objectives: To analyze the nature and type of South-South migration, focusing on issues, such as brain gain and/or brain drain, remittance flows, technical know-how transfers, violations of the right of African migrants and gender dimensions of migration; To investigate the dynamics of migration from Eastern and Southern Africa to the Arab Gulf States as well as to developed countries, focusing on the skills of migrants, brain gain and/or drain, remittance flows, technical know-how transfers, violations of the rights of African migrants and gender dimension of migrants; and to assess the successes, impediments and challenges of African international migrants from Eastern and Southern Africa and to formulate policy recommendations to maximize the gains and minimize the costs associated with international migration in Africa.



**Organisation for Social Science Research in
Eastern and Southern Africa (OSSREA)**

ISBN 978-99944-55-76-8



9 789994 455768